

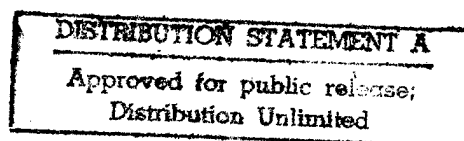
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1 July 1983

# Near East/South Asia Report

No. 2777



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NEW FINANCIAL MEASURES REPORTED

Algiers EL MOUDJAHID in French 20, 21 May 83 p 16

[Article: "New Government Measures: Reflection of Overall Development of the Country"]

[Text] Algiers (APS)--After the decisions made by the Council of Ministers on 24 April regarding lifting certain administrative requirements and an improvement in the quality of life of citizens, the Ministry of Finance has issued regulations implementing measures involving foreign exchange and customs procedures.

These new measures, which become part of the basic laws of the country and the resolutions of the Central Committee of the FLN, are in implementation of the slogan adopted at the extraordinary congress of the FLN Party, "For a Better Life."

In this spirit the government decided on the date indicated above to lift certain administrative requirements which up to now had complicated real estate transactions among Algerian citizens and the sale of private vehicles and trucks by resident and non-resident Algerian citizens.

The Council of Ministers also decided to raise the lower limit for collection of the ITS tax [expansion unknown] from 1,000 Algerian dinars to 1,100 Algerian dinars in order to maintain the purchasing power of the categories of workers who have received a salary increase of 10 percent. In applying the Finance Law of 1983 the government also issued regulations setting out the procedures and schedules for repaying Algerian citizens who were formerly owners of nationalized movie theaters and agricultural land.

In addition to these government decisions, which reflect the new social-economic atmosphere resulting from the overall development of the country, other regulations in the financial field have been issued which relate to foreign exchange operations and customs procedures.

These government measures, which have been submitted to the National People's Assembly for consideration and approval, are based on an effort to rationalize and harmonize certain social-economic and financial regulations and were decided on and aimed at achieving a qualitative change in the resident and non-resident Algerian citizens and in terms of the dynamics of development of the production sector in particular.

The interaction of these two, complementary measures fits in with the national economic policy reflected in the implementation of the five-year plan, whose ultimate purpose includes these objectives.

#### Real Estate Transactions

In terms of real estate transactions between private persons, this involves amending the laws in force, in particular the 1964 decree, to fit the present situation. By virtue of this decree transactions of a value of more than 100,000 Algerial dinars were subject to a waiver or authorization issued by provincial governors [wali]. Abolishing this requirement is based on the resolution of problems in the sector of so-called "vacant" state property and the initiation of sales to Algerian citizens, on the one hand, and the noticeable improvement in the living level of citizens and an increase in savings. On the other hand, regarding the draft law on acquisition of real property and easing procedures for real estate transactions between private parties, the document agricultural land situated in the Sahara region or land similar in character (desert areas). However, land belonging to the National Fund for the Agrarian Revolution or subject to self-management or management by cooperative groups is excluded from the provisions of this measure.

Furthermore, the definitive transfer of real property will only be approved if the applicant effectively develops the land acquired in a maximum period of 5 years (except in case of events beyond his control), by carrying out construction activity aimed at collecting water, clearing the land, planting crops, undertaking soil conservation activity, and any other activity making it possible to cultivate the land.

This measure has a double objective: to encourage an expansion of agricultural production and to halt the rural exodus and promote settlement of the lightly populated Sahara region.

The other aspect of the real estate transactions concerns land located in every commune of a region where the agrarian revolution is being applied. In such an area these transactions had been suspended until the official closing of agrarian revolution operations, which will be announced in the near future.

In addition the range of these measures remains subject to certain guidelines, including in particular the availability of the demand for land and water, the economic viability of the farm, and the location of the land which has been applied for.

The action taken in favor of Algerian citizens equally involves payment for land nationalized under the agrarian revolution and nationalized movie theaters. Applying the Finance Law of 1983 the Council of Ministers has regulated the conditions, procedures, and schedules for repaying the former owners.

Under the draft decree approved by the Council of Ministers last January the value of the nationalized land for purposes of repayment will no longer be determined by the taxes paid on it, but rather in terms of zones of a similar character, according to a schedule of fixed, uniform, average values for the unimproved land or land planted with trees, per hectare and by type of use. In the case of palm and date trees the value will be determined by unit and by variety. Furthermore, the decree improves the conditions for repayment, to the benefit of those receiving them, by offering the persons to be repaid the possibility of collecting part of the money due in cash.

Regarding indemnification of Algerian citizens who were formerly owners of movie theaters, two methods were approved, depending on whether the former owner had bought or established the movie theaters, which were nationalized in 1964.

The method of evaluation in terms of previous value is based on the reference price paid by the owner of the nationalized property, adjusted to 1964 prices. The formula used to adjust the value to 1964 prices is determined by using a rate of interest applied to the period between the date of acquisition and the date of nationalization of the property.

The second method involves valuation of the property by comparison, which consists in determining the value of the property subject to indemnification by comparison with the price of similar property which was sold or transferred prior to nationalization, in the case where the movie theater was originally established by its former owner. The evaluation of the property will be carried out by the real estate affairs service of the province involved.

For the most part indemnification for nationalized property will be accomplished immediately in cash, with the rest in Treasury bonds. Indemnification for nationalized property will take place at a time when Algeria has reached an appreciable degree of development, which is evidence of the good financial health of the country. The indemnification program also shows how well-considered were the efforts made to reform the national economic structure, which sought to introduce more effective management, in particular.

#### Preserving the Purchasing Power of the Ordinary Citizen

In the area of social measures the government, acting to preserve the purchasing power of the ordinary citizen and to achieve better balance in the lower income group, decided to raise the lower limit for the collection of the ITS tax from 1,000 Algerian dinars to 1,100 Algerian dinars. This measure, which tends to give full effect to the decision made by the government to raise the salary of certain groups of workers by 10 percent, also fits in with the incomes policy characterized by the establishment of a national salary schedule now under preparation in drafting the General Worker's Statute (SGT).

Another and no less important measure has been prepared by the government, relative to the cancellation of the prohibition of the resale of vehicles, both those imported by private parties as well as those purchased from SONACOME [National Mechanical Engineering Company]. The abolition of this measure, which had turned out to be ineffective and the cause of many problems for the government services charged with applying it (customs, insurance company, provincial authorities), will tend to clarify this situation, which was to the detriment of the government services and the ordinary citizen. In effect, the prohibition of resale of vehicles led to a variety of illegal activities, and the results originally expected from it turned out to be the opposite of what was hoped for.

#### Foreign Exchange Operations; Customs Procedures

In addition to the foregoing measures, other actions in the financial and customs field have been taken by the Ministry of Finance. They involve arrangements concerning foreign exchange and customs procedures.

Regarding foreign exchange operations, measures in favor of Algerian citizens living abroad for at least 6 consecutive months are as follows:

#### --Simplification of the foreign exchange procedures:

(A) Elimination of the obligation imposed on Algerians living abroad to change their money at the point where they return to Algeria. In the future on Algerian living abroad will have to fill out a foreign exchange declaration which will be stamped by the customs service. After this he will be free to exchange his money at the financial institution of his choice throughout the country. When he leaves Algeria, he must present a list showing the foreign exchange operations he arranged. He will be required to exchange at least the equivalent of 700 Algerian dinars;

(B) Above this sum of 700 Algerian dinars, to which could eventually be added the cost of his vehicle insurance and his return ticket, the Algerian resident abroad will have three choices:

(1) He can open a "foreign exchange account" free of charge and without requiring any prior authorization at any approved bank and with the Algerian National Savings and Insurance Bank (CNEP). In this case he will have the following advantages: he will receive the savings encouragement premium; by exchanging his foreign currency at 1 French franc for 1 Algerian dinar he will get a high rate of interest, the level to be determined subsequently; he will also receive a priority in obtaining housing;

(2) He can exchange any amount of money at the official rate of exchange (1 French franc for 1 Algerian dinar) at any bank on a gradual basis in accordance with his periodic needs;

(3) He can reexport his money freely.

--All transfers of foreign exchange to Algeria (including money orders from Algerians living abroad, pensions, and rents) will benefit from a promotional premium calculated at a uniform of 40 percent, to be paid by the Algerian Treasury.

Among the other measures adopted we note the establishment of fixed rates for the conversion of expenses abroad in terms of salaries and student allowances. These measures cover the salaries (principal salary and allowances) of personnel serving abroad the allocations for student and training scholarships in foreign countries. The fixed rate of exchange will be applied to the salary or to the scholarship (fixed in Algerian dinars).

The new measure replaces the old system of calculating salaries and scholarships, based on the daily exchange rates. To avoid fluctuations, which are usually in a downward direction, the calculation will be made from now on in accordance with a fixed rate calculated on an average rate for a given foreign currency during the last quarter of the year. This average rate will then be applied for all of the following year.

If, in the course of such following year, the rate for a given foreign currency depreciates or is noticeably revalued upwards, there will be an adequate readjustment. The employers concerned will be responsible for the difference in compensation in Algerian dinars.

In this range of measures there is also a provision to authorize resident and non-resident Algerian citizens to import equipment goods without formalities and without limitations up to a limit of 100,000 Algerian dinar. Customs duties and taxes collected will be in Algerian dinars at an average rate varying between 25 and 37 percent.

Also in this series of measures is a provision to raise the permitted level of imports for Algerian travelers from 5,000 Algerian dinars to 10,000 Algerian dinars, provided, of course, that the products involved are not prohibited for import into Algeria.

In addition the Ministry of Finance has set up, for the benefit of certain public enterprises and companies, a specific procedure for payments abroad. This measure is intended to cover certain expenses that must be paid in foreign exchange, which must be made immediately or are of an exceptional or hazardous character; replacement parts for a production unit which has broken down; or the services of a foreign expert or technicians needed for urgent repairs.

This measure was expanded to cover the provincial level. Thus, a special account amounting overall to 500,000 Algerian dinars will be placed at the disposition of the provincial governor, who can decide on its use in the cases mentioned above. This account can be replenished by decision of the Ministry of Finance after due justification of expenditures from it.

Finally, the field of activity of the CNEP has been expanded. The CNEP is a people's financial institution. It has made arrangements which involve broader powers. In addition to limited construction loans the CNEP has included in its portfolio of credits loans for the acquisition of premises for commercial or professional use, to be managed by public entities (State Property Service), and loans for reconstruction of offices and homes.

Concerning its construction loans, the CNEP has adopted as its point of reference the idea of the cellular family in a broad sense. For this purpose it has adopted the principle of interest rates proportional to income.

In this framework it will take into account an adjustment to compensate for the difference in interest rates. Thus, with an initial rate of interest of 6 percent, the adjustment will be made in the following way:

--Incomes less than 2,500 Algerian dinars [as published; probably per month]:

--Rate of interest: 3 percent.

--Rate of adjustment: 3 percent.

--Incomes between 2,500 and 3,500 Algerian dinar:

--Rate of interest: 3.5 percent.

--Rate of adjustment: 2.5 percent.

--Incomes between 3,500 and 4,500 Algerian dinar:

--Rate of interest: 4 percent.

--Rate of adjustment: 2 percent.

Non-savers can also receive loans, but repayable over a period of 15 years and at a rate of interest of 8 percent.

In addition more than half (60 percent) of the homes under construction will be assigned to those engaged in savings programs, while 10 percent will be reserved on a priority basis for those who have foreign exchange savings accounts. It should be noted that the expansion of the field of activity of the CNEP has taken place simultaneously with its change in status from that of an observer to that of a full participant in the system for assigning housing.

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COURT DECIDES AHMAD BAHÄ' - AL-DIN, AHMAD ZAYN SLANDER CASE

Cairo AL-AHRAM in Arabic 16 May 83 p 8

Article: Ahmad Baha' al-Din and Ahmad Zayn Convicted of Defamation and Mutual Public Insult; Each to Pay 200 Pound Fine

Text The justice of the 'Abidin court Muhammad Darwish issued two rulings of importance in journalism cases, specifically in mutual misdemeanor suits of defamation brought by Ahmad Zayn, editor of the newspaper AL-AKHBAR, against the journalist Ahmad Baha' al-Din and officials of the newspaper AL-AHRAM, for which he writes, and by Ahmad Baha' al-Din against Ahmad Zayn and officials of the newspaper AL-AKHBAR.

The court decided to fine both Ahmad Baha' al-Din and Ibrahim Nafi', editor-in-chief of AL-AHRAM 200 pounds and required them, along with 'Abdullah 'Abd al-Bari, chairman of the board of AL-AHRAM, to jointly pay 101 pounds to Ahmad Zayn as temporary compensation.

The court also decided to fine Ahmad Zayn 200 pounds and to require him, along with Musa Sabri, chairman of the board at AL-AKHBAR, to pay 153 pounds in temporary compensation.

The court said that both Ahmad Baha' al-Din and Ahmad Zayn had wounded the other and tried to detract from his honor and respect. Therefore, it condemned them on charges of defamation and public insult. They thus deserve to be punished according to criminal law.

Concerning these two rulings, the court said that the responsibility of an editor-in-chief cannot be avoided, even if by chance he were to not supervise a certain group of newspaper employees, and that he cannot escape his responsibility simply because he has delegated some of his work to another individual.

The court said that a newspaper's chairman of the board is responsible in civil terms for secondary activities.

Ahmad Baha' al-Din 'Abd-al-'Al, famous as Ahmad Baha' al-Din, had charged Ahmad Zayn al-'Abidin, famous as Ahmad Zayn, with a misdemeanor, demanding that he be punished under criminal law and pay a fine of 51 pounds as temporary compensation for the deeds of slander and public insult committed



in his article in the newspaper AL-LIWA' AL-ISLAMI on the 26th of last August, and that he be compelled along with Musa Sabri, chairman of the board of AKHBAR AL-YAWM, to pay temporary compensation of 561 pounds for four articles which were published in the newspaper AL-AKHBAR last July and eight articles which appeared in August.

Ahmad Baha' al-Din said the articles contained expressions of slander and words of public insult and connected him to events which, if true, would necessitate his being punished under criminal law or being held in contempt by the people of his country.

He added that he had published in the newspaper AL-AHRAM articles in which he had dealt with the issue of consultation in government and the power of the ruler, and that he had in these articles made fun of those who held interpretations that said that fasting, staying awake and worshipping during the 'Night of Power' equalled staying awake, fasting and worshipping for a thousand months. He said: "It is as if God--may He forgive us--were having a sale in which worship was being sold wholesale and was therefore easier and cheaper."

But Ahmad Zayn defamed his person with slander and public insult and by distorting the meaning of what he wrote. Ahmad Zayn defended himself by saying that he did not mean either to insult or to defame by what he wrote. Rather, it was intended as legitimate objective criticism, and that he had been forced to defend an important issue, the issue of the Islamic heritage.

This is a religious and a national duty which concerns the Muslim masses because of the seriousness of the situation and the power which a writer's writings have to influence readers, especially since the articles were published in the exalted month of Ramadan.

The court said in its explanation of the ruling that it was not judging an idea or opposing a point of view, as freedom of thought was guaranteed, and every human being could express his opinion and spread it, either verbally or by writing or by photography or by other means of expression, within the limits of the law and of constructive criticism, in order to preserve the soundness of the national framework.

#### The Word As A Trust

The court said that it judges the word in the context of its effect on the psyches and hearing of its readers, considering as it does that the word reveals the intention of the writer and the speaker. For the word is a trust and a responsibility, and is heavier still in the hand and pen of the journalist.

If he gives it its due and places it in its proper place and gives it the right weight, then it is like unto a candle set along the way, guiding an entire nation to that which is best for its sons!

But if he uses it incorrectly or to exaggerate or neglects his trust in using it, then it is more like unto stormy winds which put out the candles and change the light on the path into darkness in which minds and hearts become confused and people become disoriented. The truth and knowledge in their eyes dies, and they become prey to dissension, internecine fighting and backwardness vis-a-vis other peoples!!

Freedom of thought in reality is the freedom of the individual to evaluate the things, systems and persons around him. It is his freedom to openly give them the value he believes that they deserve positively or negatively, according to his ideals and beliefs. The evaluation is positive if he finds them to be suitable or advantageous, and negative if he bluntly rejects them, determined their opposite or critically finds them to be negative. This is what slander, insult, fault-finding and scorn are like. However, the difference between the two of them is one of degree only, the former being a negative evaluation which the people must accept, and the latter a negative evaluation which the people must accept, and the latter a negative evaluation that people do not have to accept.

Seeing as the criticism is a negative evaluation directed by the critic via an exposition of opinion on a certain topic and was intended to reveal the various facets of something defective and incorrect with the intent of making society see the error included in the other opinion and thereby guiding it to that which is correct by means of the critic's freedom to express his opinion, which is known as the right of criticism, it is necessary, in order for such criticism to be allowed, that some principles be upheld, among them:

- 1) The criticism must refer to a factual or uncontested event. The right to criticize does not allow a writer to occupy himself with hidden incidents with the intent of uncovering them except in the limits within which this is allowed. Similarly, it is impermissible for a critic to base his opinion merely on rumors.
- 2) The criticism must take the form of an opinion or commentary on an action or incident which emanated from the victim, which is the vehicle of the criticism. If the critic's opinion has little to do with the incident which he attributes to the victim, then he has deviated from the principles of criticism.
- 3) The behaviour or incident which serves as the vehicle for the criticism must be possessed of such social importance that criticism of it leads to the achievement of the public interest.
- 4) The critic must stick to the appropriate mode of expression and the words appropriate to criticism which asks people to accept it, taking into consideration the measure used by the common man.

If the expressions used are wounding in and of themselves, which is to say, if they would wound if used against an ordinary individual, then they will wound if used against a politician immersed in vicious party struggle, even if they are used against him under the pressure of talk and discussion about serious and momentous public issues.

## Limits of Permissible Criticism

Consistent with this view, the Court of Cassation ruled that when criticizing public men, it was not permissible to go beyond the taboos of the law in the use of insults and epithets. Granted that a person may become severe in his criticism of the acts of his political opponents and act as nastily toward them as he wishes, but it is necessary that this not go beyond the permitted bounds of criticism. If he goes so far as to slander, make infamous and wound the other, then the letter of the law must be applied to him. His acts cannot be justified by the fact that his political opponents may have preceded him in their newspapers in violating the law in this way.

5) It is necessary that the critic's intentions be good in terms of sticking to the limits of the objective for the sake of which it is permitted to him to criticize, this objective being the realization of the public interest, without him being moved by passion or driven by a personal motivation.

Building on the above, it can be said that everyone concerned with public politics and religious thought, and everyone who works in journalism, may exercise the right to criticize anything which appears on the pages of the newspapers in all their variety and has to do with politics, religion, or the social and economic topics which concern the great majority of people and reflect a public interest, as long as the conditions and rules of criticism are observed.

Moreover, it is a Muslim's right, nay, his duty, to criticize every opinion and viewpoint on religion which he thinks is inconsistent with the Book of God, the Summa of His Prophet, and the Sayings of the Righteous Ancestors, as a way of struggling via argument to be victorious for the sake of God's religion, Islam, which is the religion of this state. This excludes attacks on or departures from the limits of criticism, in accordance with what the Truth, may He be praised and exalted, said in His Noble Book: "Call to the path of your Lord with wisdom and good preaching, and debate them with that which is better."

The court said that, by applying what has already been stated and clarified to the incidents of the case and to evidence of slander and public insult brought out during it and linked with it, it becomes clear that Ahmad Zayn was practicing his right to constructively criticize in all the articles he published in the newspaper AL-AKHBAR and in the article he published in the newspaper AL-LIWA' AL-ISLAMI, since in all these articles he dealt with criticizing what the defendant had written concerning the issues of consultation and the government in Islam, as well as the issue of the Islamic heritage and what it has to say about the goodness and excellence of the Night of Power, and the prosecutor's criticism of the views of the Ancestors concerning it.

The goal of Ahmad Zayn in these articles was to maintain a public interest, to wit, by preserving religious beliefs for a muslim people during the most crucial and noble month of worship vis-a-vis God, lest they be harmed or represented in the way in which the civil prosecutor understood or perceived to be the case in his writing on them.

No matter how right or wrong was the writer's opinion on that which he perceived or wrote, he stuck in what he wrote in those articles to a style consistent with the seriousness of the articles as a vehicle for criticism in a fashion acceptable to the common man, as he was compelled in all this to achieve a public interest, and was not out to get Ahmad Baha' al-Din, nor did he intend to detract from his honor or respect. Therefore, the charges against him in the matter of these articles are dismissed and he is declared innocent.

#### Impermissible Criticism

However, the court said that it is clear from reading the article published in the newspaper AL-AKHBAR on 23/7/82 under the title 'Without Any Problems,' as well as the two articles published under the same title on 24/8/82 and 25/8/82 that in them all the accused departed from the limits of permissible criticism, since he departed from the topic--the vehicle of criticism--and went on to hint and make statements with the aim of insulting the defendant and slandering him in a personal fashion as well as revealing hidden things about his life, saying to him slanderous expressions and insulting words publicly.

He then turned to his personal life, to his penchant for dwelling in palaces, to the way he spends his money, to what he eats and drinks, and to other wounding expressions and words which he used against the victim, knowing what their connotations were and how they would seem to his readers, high and low, doing all this in a way that makes clear his criminal intent and makes it plain that his intention was to detract from the victim's honor and respect, and so to commit the crimes of slander and public insult.

It is no justification that his opponent had preceded him in violating the law in this manner, as has already been described.

The court said that Ahmad Zayn's responsibility for the mistake and the harm had been established, and that therefore there could be no doubt about the responsibility of the editor-in-chief of AKHBAR AL-YAWM, since he is responsible civilly for secondary activities, according to article 174 of the civil law.

#### The Second Issue

Concerning the issue of the direct misdemeanor committed by Ahmad Zayn against Ahmad Baha' al-Din, Ahmad Zayn said that Ahmad Baha' al-Din said accusations and expressions of slander and public insult to him and charged him with distorting his remarks and those of the former head of state.

Ahmad Zayn said that he was exposed to a campaign of slander and lies which aimed at assassinating his personality and his position as a journalist and writer and as a thinker of standing. Therefore, he was compelled to defend himself and his literary personality. The means by which he defended himself was to use his right to reply to the lies that had been published against him by publishing a correction of what had been written about him.

Naturally, things being like that, his reply used the same style that had been used against him. It was impossible for him to be civil, so he was compelled inevitably to strip the defendant bare and uncover his desires and aims and to humiliate the professional counterfeiting which the defendant had practiced against him, his justification in what he said being what had happened to him.

The court said that Ahmad Baha' al-Din, in his two articles in AL-AHRAM entitled 'Daily Events,' had departed from the limits of permissible criticism to the point of slander, defamation and insult, and that he had not been satisfied with that, but had revealed hidden things about the other's life using wounding expressions and words which had not served any purpose or issue, knowing full well the connotation of these words and their influence on the generality of readers, so that his criminal intent is clear and it is clear that he intended to detract from the honor and respect of the victim, and so to commit the crimes of slander and public insult.

The court said that Ahmad Baha' al-Din's acts were not justified by the fact that his opponent had preceded him in his newspaper in violating the law in this way. It would have been better for him to follow the saying of the Messenger of God (may God bless him and keep him safe) as contained in the noble Hadith: "Fear God wherever you are, and follow an evil deed with a good one to wipe it out, for the Creator of the people is of good nature," so let not an error be followed by another.

#### The Responsibility of the Editor-in-Chief

The court said: the text of Article 105 of the punishments law says: "without impairing the criminal responsibility with respect to the author of the book, the creator of the drawing, or other modes of representation, the editor-in-chief of the newspaper or the editor responsible for the division in which the piece was published will be punished. If there is no editor in chief with original responsibility for the crimes committed via the newspaper, the editor must nevertheless bear some criminal responsibility. Even if it is proved that publication took place without his knowledge and if he submitted from the start of the investigation all the information and documents he has, to help find out the one responsible for what was published, and if he gave guidance during the investigation concerning the person who committed the crime and presented all information and documents in his possession to prove the responsibility of that person, even then, though he did not himself publish the offending piece, he would still expose himself to loss of his position at the newspaper or to other serious harm."

Therefore, the responsibility of the editor-in-chief of the newspaper for what is published in his paper is an unavoidable one stemming from his status and professional position at the newspaper. This responsibility sticks with him, even if it becomes clear that he usually or generally plays his role of supervision but in fact has not done so on connection with issuing this issue or that of the newspaper. This responsibility cannot be lifted from his shoulders simply because he delegates some work to another person,

since he still had the right to supervise him. The intention of the lawgivers in decreeing this incumbent responsibility is in reality grounded in the supposition that editor-in-chief knows what his newspaper is publishing and gives his permission for it to be published. That is, the legislators have set up with regard to him a legal concept which says that he knows about everything that the newspaper he supervises publishes. His responsibility can thus not be escaped, as a result of the supposition of this knowledge, so long as it is not proved that publication took place without his knowledge or that he was unable to prevent publication without losing his position or causing material harm to the newspaper.

12224

CSO: 4504/399

## BRIEFS

NEW APPOINTMENTS--President Husnia Mubarak issued a republic-level order appointing Mr 'Abd al-Rahim al-Sharif vice-minister for local government and head of the agency for popular development. The new agency head received his law degree in 1954 and held several offices in the office of the president of the republic and the governorates of Asyut, Suhag and Aswan. He was elected a member of the People's Assembly representing the district of Qina, and then was appointed parliamentary representative in 1978. Dr Fu'ad Muhyi al-Din, the prime minister, issued an order appointing Engineer Sulayman Rida 'Ali chairman of the board of the company Egypt for Aluminum. The prime minister also issued an order appointing Mr 'Abd al-Mut'im Ghannam director of social affairs in al-Daqhaliyya province and Mr Kamal al-Din Husni director of social affairs in al-Gharbiyyah province.  
[Text] [Cairo AL-AHRAM in Arabic 16 May 83 p 8] 12224

CANAL INCOME--The returns from the Suez Canal will not be affected by the fall-off in petroleum cargoes shipped from the Gulf to Europe via the canal. The yearly increase in various commodity shipments passing through the canal is 5 percent, despite the circumstances engendered by the economic slump. This increase makes up for the decrease in petroleum shipments, according to Engineer Mashhur, head of the Suez Canal Board. He said that Egypt's earnings from canal fees were \$412 million from the start of January to this May, and that earnings from canal fees would not be less than last year, when they reached \$956 million. He said that income figures from fees were constantly rising; having started out at \$99 million in 1975, they jumped to \$890 million in 1981, after improvements in the canal. [Text] [Cairo AL-AKHBAR in Arabic 21 May 83 p 6] 12224

CSO: 4504/399

## STEPPED-UP SETTLEMENT BUILDING WORRIES PALESTINIANS ON WEST BANK

Jerusalem AL-BAYADIR AL-SIYASI in Arabic No 45, 16 Apr 83 pp 22-24

[Text] In a naked attempt to cause greater trouble Israel has begun to implement a new settlements campaign throughout the West Bank. This campaign is conducted to coincide with the contacts being made between Jordan and the PLO, coming as they do at the same time as the U.S.-Jordanian talks, and also as a consequence of the increased international support for the Palestinian cause and the greater number of calls for an end to the settlement building and for the evacuation of Israeli forces from the occupied lands.

Israel sees U.S. President Ronald Reagan's program as a threat to its ambitions and as something that will thwart its policy towards occupied lands which is reflected basically in changing the status quo and characteristics of this land. The new settlements campaign was announced openly by top Israeli officials in a framework of menacing formulas which specified that any party wanting to enter into peace negotiations must not admit any prior conditions, such as a stop to the settlements.

Observers feel that last week's declarations by Israel came as a partial threat to the American administration to stop pressuring Israel for a cessation of its building of settlements, regardless of the results of political talks that are trying to solve the crisis in the region, and as a call for the U.S. Administration to stop giving promises to Jordan and others in an effort to have them participate in the peace negotiations. These declarations have cut the road to any further movement toward these negotiations. Observers point out that the extent of the new settlements campaign plunged Washington into great distress at a time when it really wanted to establish peace. There are other observers who view the announcement of this settlements campaign as being caused by America's unwillingness to pressure Tel Aviv, which it is capable of doing.

Along with these recent political developments, most especially what has resulted from the Jordanian-Palestinian discussions, last week's announcement by the highest Israeli authorities of the new settlements campaign makes the search for peace through U.S. negotiations very difficult to achieve.

Informed diplomatic circles feel that the intensification of settlement building which accompanied the Jordanian-PLO talks aimed at pressuring the Palestinian leadership to accept the American solution, as if the continuous and



uninterrupted settlements program since 1967 has wanted as its justification to coerce the Palestinian people to accept what they have resolved to reject.

The intensified settlements campaigns which have been implemented from time to time will not be the access-way to permit a just and lasting peace, nor at the same time will they be effective in pressuring the Palestinians to accept any of the programs which will deny them their right to establish their own independent Palestinian state, or their right to chose their own representatives.

#### Settlement Plan

Last week the settlements movement of the Zionist HISTADRUT proposed a new settlements plan for the West Bank which provides for the establishment of 23 new settlements and 15 military posts, and the expansion of present settlements, and for converting military posts to civilian settlements. The new plan aims to resettle 120,000 Jews by 1986, and this same plan proposes to establish 20 large settlements in the period between the years 1986 and 2010 when there would be in the West Bank and the Jordan Valley 165 settlements with 1.2 million Jews, a number which is comparable to the number of Arab inhabitants. The plan calls also for the expansion of a large number of the present settlements, and it has already been submitted to the Israeli government which has already assented to it and will begin next week to work on its implementation.

#### Rejection of Peace Steps

During the past 2 weeks the American administration has announced through its contacts with the Arab parties, and especially Jordan, that it will press Israel to freeze the settlements, causing Israel to reassert that it rejects any pressures to stop them or interfere with the settlements policy when the Israeli cabinet announced in a meeting chaired by Menachim Begin its rejection of American pressures and its insistence to carry on with the settlements, confirming that it will soon build 57 new settlements. Sources in the Israeli government feel that the government's view is that building settlements does not put any obstacle in the road to peace or in front of any party whatsoever. The official Israeli spokesman, Dan Moridor, announced at the end of a meeting of the Israeli cabinet that the issue of settlement was not a big problem in the way of peace and that King Husayn should not take it as a pretext to refuse to participate in direct negotiations with Israel, while Israeli declarations continued to reject any American pressure, and to affirm at the same time continued settlement activity. Then Israeli Foreign Minister Yitzhaq Shamir deplored Ronald Reagan's initiative. This announcement of Shamir's comes following the statement by John Hughes, spokesman for the American State Department, that when Jordan entered into negotiations the United States would exert pressure on Israel to ensure the success of the negotiations.

In another new provocation to the Arab states, Israeli circles have reaffirmed that the Arab states must realize that the United States will not be able

to coerce Israel to stop the settlements. These circles revealed the plan to set up 19,000 housing units in the coming 3 years.

The settlements and housing programs will give the Jerusalem region top priority, then will follow a line along the heights running north and south, then the northwest part of the West Bank. The costs of the new settlements will come to \$500 million.

#### Civilian Settlements

Media sources in Israel announced that concerted efforts are now under way to convert the military settlement of Berakha situated on Jabal Jarzim near Nabulus to a civilian settlement. This conversion will be completed at an official ceremony attended by the deputy prime minister of Israel, David Levy, and Israeli television stated that it is being planned that this settlement will have 800 housing units.

#### Confiscation

The Israeli newspaper HA'ARETZ last week revealed that the director of the civilian administration of the West Bank recently signed an edict which rules that some quarter of a million dunams of West Bank land shall be considered as land belonging to the environmental protection authority in Israel whereby the establishment of settlements will be permitted in one part of it. The order includes 39 preserves in all parts of the West Bank in addition to the other 10 preserves which martial law authorities have proclaimed between 1967 and 1978.

The Israeli newspaper made it known that the greatest share of these confiscated lands would come from the state-owned lands, and it said that the environmental protection authority has already accomplished a great deal after its contacts, that have lasted 5 years, with various military and settlement agencies so that it has obtained legal support for its designs. Sources from this Israeli association affirmed that the authorities agreed to set up a number of settlements on the expropriated lands which are included in the edict of the civilian administration director.

Amongst them is the settlement on Jabal al-Kabir near Qalqilyah and another one in Wadi Shubash to the northeast of Nabulus. These lands also include the region of Wadi Malih, which has an area of 40,000 dunams, and Wadi Shubash, Wadi al-Qalat, Wadi al-'Awja, Ghabat Siris, 'Ayn Kiniya, 'Ayn Dulab, the Sartah region, and other regions.

This is a portion of Israel's settlement plans which are endless, plans that aim at forcing the Palestinian people to accept its policy. But these plans are still not a proper entrance for finding a solution to the dispute. For if Israel's goals continue to be rejected by a part of the Palestinian people, no matter how the sharpness and viciousness of its campaign grows, it will not force the people to accept skimpy arrangements. In this context Yasir 'Arafat, chairman of the executive council of the PLO, reaffirmed in a

press conference with the newspaper AL-SHARQ AL-AWSAT published in London his rejection of all these plans. The question that the newspaper put to 'Arafat was: "What is your response to what is being said to the effect that the passage of time will make the issue alive only in the past, while Israel Judaizes, and establishes settlements in, the occupied lands?"

Abu 'Ammar's answer was: "There is no sin worse than unbelief, and nothing worse than occupation. We are not amongst those who get excited or frightened. The land, all of it, has come to a point...these things... I am a man of history. I don't tremble in front of a colony here or...This land is Arab and will continue to be so. The Crusaders came and went, the Tatars came and went, the French came and went, likewise the English, and every invader has gone. And these will go away too and the land will remain Arab. This historical vision is without 1 colony or 2 or 3 or 10. I do not fear the Israeli army, and God be praised, I'm not afraid of colonies that exist."

9587

CSO: 4404/382

## WEST BANK CHAMBERS OF COMMERCE DISCUSS LOCAL ISSUES

Jerusalem AL-MIR'AH in Arabic 27 Apr 83 p 2

[Text] Nabulus--The West Bank Chamber of Commerce Association held a special meeting the day before yesterday in the Nabulus Chamber of Commerce offices that was attended by representatives from the West Bank Chambers. After those present reviewed the deteriorating economic situation on the West Bank and the excessive taxes and fees that have been imposed on the populace, they undertook a study of the subjects included on the agenda resolving as follows:

First, to prepare and direct a legal brief about the modifications which have been enacted on the income tax law, and the manner of their being levied, and to protest these modifications and to present this brief to the official for economic affairs.

Second, to prepare a legal brief about the matter connected with the prohibition to build outside the municipal limits on plots that are less than 1 dunam in area, with the stipulation that the area of the building not exceed 150 square meters and that it be only one storey. To present this brief to the official for internal affairs since this decision has had repercussions for the flow of construction, for business, and for labor.

Third, to prepare a brief concerning the Jordanian government's decision to require compulsory conscription of West Bank residents. This would deal with the bad consequences this decision would have, such as increased unemployment, especially amongst tradesmen and university graduates.

Fourth, to prepare a brief for the officials to protest the increase of fees required of travelers and the transport industry who primarily use the two bridges [over the Jordan River], along with a request to repeal the latest increase, to be given to the official of the Interior Ministry.

Fifth, to prepare a memo protesting the alteration made on the trades permits law which has by its application increased these fees disproportionately, considering the prevailing economic circumstances.

Along with these, it was decided to form a committee composed of representatives from the Jerusalem and Nabulus Chambers of Commerce which will monitor and execute any resolutions issued by the West Bank Association of Chambers of Commerce. It was also decided to convene another session of the association in the coming month to follow the issues and problems which the business sectors and the rest of the populace face.

## NEW FEES ESTABLISHED FOR BRIDGE CROSSINGS

Jerusalem AL-QUDS in Arabic 24 Apr 83 p 2

[Text] As of the day before yesterday the new directives pertaining to increasing the cost of stamps which are affixed to exit permits--the green ones--began to be applied, particularly for residents of the West Bank and the Gaza Strip, and for summer visitation permits, as well as for ordinary, car, bus, and truck permits which are valid for use on the Allenby and Damiya bridges.

The cost of the stamps which must be affixed to permits have been set as follows:

- 1,600 shekels--exit permit
- 1,500 shekels--permit for visit from abroad
- 1,000 shekels--1 year extension for green exit permit
- 2,500 shekels--1 month extension of visitation permit
- 6,000 shekels--fine for not having extension of visitor's permit
- 600 shekels--user fee for those leaving or coming
- 250 shekels--accompanying persons less than 15 years old
- 8,000 shekels--truck permit
- 2,500 shekels--user fee for truck carrying fruit or vegetables
- 5,000 shekels--user fee for truck carrying stone or non-foodstuffs
- 1,500 shekels--single trip permit to the bridge
- 750 shekels--one-time tourist bus permit
- 500 shekels--one-time tourist car permit
- 5,500 shekels--1 month tourist car permit
- 5,500 shekels--1 month tourist bus permit
- 1,000 shekels--student reunification permit
- 2,500 shekels--1 year residence permit in West Bank
- 2,500 shekels--1 year extension of residence permit

9587

CSO: 4404/382

ISRAEL

BRIEFS

GAZA MUNICIPAL BUDGET--The general expense budget for Gaza municipality amounted to nearly 200 million shekels at the end of the fiscal year that ended 31 March 1983, as compared to 87 million shekels in the previous year. The developmental expense budget amounted to 91.27 million shekels. [Text] [Jerusalem AL-QUDS in Arabic 24 Apr 83 p 2] 9587

CSO: 4404/382

## EDITORIAL CONDEMNS LACK OF EFFECTIVE PLANNING

Kuwait AL-TALI'AH in Arabic No 789, 20 Apr 83 pp 4-5

[Editorial: Why Do the Tremors and Shocks Surprise Us?"/

[Text] Natural disasters such as earthquakes and volcanic eruptions stand as witnesses to the destructive forces of nature and to the ability of man to deter these forces and reduce the extent of his losses. However, the social disasters or upsets which occur on the plane of economic, social or political existence, and so on, stand as witnesses to the impact of public policies and to the capability of these very policies to master the dangers of the disasters and upsets before and after they occur. Public policies are not natural forces like the layers of rock in the depths of the Earth, nor like the blazing lava deep inside the hills; they are human plans, projects and ideas, that is, they are man-made and therefore it is possible to control them and to know their paths, their horizons, and where they lead. Thus, it is possible to place responsibility upon those who compile and prescribe them, the opposite of the paths and directions of the forces of nature.

Anyone observing the past year of life in Kuwait has his attention drawn to the noticeable and abnormal density of tremors and harbingers of disaster which have taken Kuwait by the throat and have not yet let go, from the collapse of the al-Manakh market and its destructive effect which began to spread even before its collapse, to the petroleum crisis (the drop in production and prices and its rapid reflection on the budget, the activities of public institutions, and the life of the people), to the oil spill which stirred up alarm and warned of disastrous consequences...and is still giving warning in spite of official reassurances.

What has been noticed in these upsets is that, according to official statements, they have come as an unexpected surprise, as though he who sows the wind does not reap the storm, and as though he who plans blindly does not reap failure and bad consequences. If we combine in a quick glance what is called causatives and the measures that were introduced, we almost become satisfied that the nation is seeing in these incidents some sort of natural occurrences, behind which stand the mysterious forces of nature and not the shortsighted policies which see no further than the bridge of the nose or the prints of the feet.

Fortunately, however, this view became obsolete centuries ago, that is, since it was understood that economic or social policy is of human making and is fabricated by state institutions. Thus, that any change is due to misfortune, bad luck and by the gamble of some person or others is an explanation which provokes derision. If this situation were true with respect to the individual in spite of the fact that sometimes he cannot control his entire social and economic situation, it would be more true with respect to the nation as an entity of supervisory legislative, executive and judicial institutions.

With the existence of this supervisory entity, how can we properly change the economic and social upsets and catastrophes into fate and divine decree or into invisible forces?

A simple following of the steps taken in the creation of a market such as the al-Manakh market, the justifications for its origination, and the signs which accompanied it, which were clearly harbingers of destruction on the level of the society's values and its other sectors, gives clear evidence that it is the result of policy and planning, but for the narrowest of purposes and the shortest of times. Thus the nation establishes and pursues its activities.

Perhaps the anxiety about the oil crisis and the saying that it will be a semi-catastrophe in a matter of years confirm that the view which dominates this sensitive matter was not capable in its thinking of reaching beyond the day and hour when the interest would be pouring out its dollars, while whatever lay beyond this was in the hands of the fates. Thus the nations establish and pursue their activities.

If, on the other hand, we disregard the past and come to the present where the results of bad planning and guidance have become apparent, we see a greater wonder. Catastrophes and upsets ordinarily open the eyes and illuminate minds and the pathway, but we cannot say that the nation's institutions do even the ordinary, or that they are on the road to doing it. The framework or policy which established the al-Manakh market is still relied upon and is even continuously expanding.

We cannot say that the nation's institutions have eliminated the framework or policy which caused the damages of the oil crisis, or that they are on the way to eliminating them.

If we take a simple example, the concept of dealing with the budget deficit, we find that this example summarizes what we are saying: Instead of thinking exerted on practicing control of the policy of expenditures wasted on appearances and self-serving projects and instead of the nation turning to the tremendous profits which accrued from speculations in real estate, land, rent and the people's savings, and the nation and society receiving its due of them in full, we find it turning to imposing taxes on the basic service needs of the people!



Ordinarily in the face of natural upsets and catastrophes, efforts are expended to protect the people and to control the forces which have been set loose. However, among us in the face of social and economic upsets and catastrophes, efforts are exerted to exact from the people the cost of the losses and to set loose the economic and social forces. How can we find it strange if every day we are surprised by tremors or shocks?

9605

CSO: 4404/336

RESTRICTIONS ON PALESTINIANS DENOUNCED

Kuwait AL-TALI'AH in Arabic No 789, 20 Apr 83 p 41

[Article: "Palestinians and Ministries of Interior in Arab Nations"]

[Text] In the last meeting held by the Arab ministers of the interior a few months ago, consideration for the circumstances pertaining to the Palestinians was confirmed and it was announced that they will receive special treatment in travel, residence and work.

This shows that the divisiveness which has become a characteristic feature of everything which is official and Arab has added the foregoing decisions to its split heritage, and applied it in reverse. Then, instead of extending to the Palestinian the consideration and special treatment which would be of service to him and conquer the difficulties before him, they added other difficulties to the difficulties he was already facing. Additional complicating measures have limited his mobility and travel and have converted certain persons into what has been defined as the "flying Palestinian," who no sooner sets foot on the ground than he finds himself faced with detention orders and the necessity of leaving on the first aircraft to the place from which he came, then no sooner does the aircraft set down in the new location than he finds the same treatment and the same behavior. Thus the injunction and deportation cycle continues until he finally resorts to a non-Arab airport or the nearest prison.

In this manner the special treatment decisions are applied. This is a reality for hundreds of Palestinians who have travelled between dozens of Arab airports.

Even if some attribute the reasons for this "special" treatment of hundreds of Palestinians to the nature of the special conditions which have been surrounding their special individual situations, what are the "conditions" which have been surrounding all bearers of Egyptian, Syrian, Iraqi and Lebanese travel documents who have been carrying them since 1948?

What are the barriers and obstacles which prevent their renewal?

Why is the strictness imposed now, of all times, unless this policy of non-renewal enables the governmental authorities to drive away those who are working on their land by expelling and banishing them?

But alas, to where?!

And why, when the Palestinian requests an entry visa to most Arab states, is he like someone requesting the seventh impossibility, or the perfect solution, or a mythical creature?

Even some countries which used to grant the Palestinian a transit entry visa for 24 or 48 hours have reverted; they have bared the fangs of rejection, detention and expulsion at a thousand and one cripples.

This has been done ever since the decisions "blessed" by the Arab ministers of the interior. How is it possible for the situation to be as though the statutes which the ministers announced were violating this "blessed" condition?

The policy of pressure, siege, starvation warfare, and denying the means to obtain an honest mouthful to the Palestinian cannot be explained and justified except as springing from the same Zionist logic that seizes land, poisons people, blows up houses, harrasses, imprisons, and violates, and changes the secure life into a state of impossible security.

This is the same logic and tendency to force people to their knees that wants the Palestinian to become a person who carries a stamp or a seal on a petition for his hanging, for stripping him of his land, or for blowing up his house!

This is the same policy which asks him to surrender and raise his hands, and to forget the struggle, the fight, the resistance, the battle and the provocation!

These are the same attitudes which want to turn over the area to the Americans while it is devoid of its residents, or to change the residents into new red Indians.

These are policies of disgrace, abandonment, selling out, and acting as lackey and agent. However, the new agents are forgetting or becoming oblivious to the fates or ends reached by the Shah, Sadat, Somoza, Nuri al-Sa'id and Diem of Saigon in Vietnam!

O, Arab ministers of the interior! If you were declaring that the Palestinians are safe in your embrace, please do not force them to switch to ropes and go around embracing your necks!

9605

CSO: 4404/336

## LABOR STATISTICS SHOW DROP IN NATIVE WORK FORCE

Kuwait AL-TALI'AH in Arabic No 789, 20 Apr 83 pp 12-13

[Article: "Where Is Kuwaiti Labor Going?"]

[Text] The Applied Instruction and Training Administration in Kuwait published the following information:

The percentage of Kuwaitis participating in the work force in comparison to their total number was 19.5 percent in 1975. The same year, their percentage with respect to the total workforce in the soviet was 30.2 percent.

This percentage dropped in 1980 as follows:

The percentage of the total number of Kuwaiti residents participating in the work force was 19.4 percent, and the percentage with respect to the total work force dropped to 22.4 percent. Note that the Kuwaiti population has increased from 482,088 in 1975 to 562,055 in 1980, i.e., a drop of 7.8 percent in the ratio of Kuwaiti labor occurred in the aforementioned five years.

As regards illiteracy, the administration obtained the following information:

The illiteracy rate in 1975 was 35.8 percent of the residents.

This was a time when the percentage of those who could only read and write reached 23.5 percent, the percentage of those who obtained an elementary certificate was 14.2 percent, the percentage of those who obtained an intermediate certificate 11.9 percent, the percentage who obtained a secondary certificate 10.6 percent, and the percentage who obtained university diplomas and advanced university degrees reached only 4 percent.

As for the percentage of vocational distribution in the Kuwaiti work force, more than 40 percent of the national work force do work classified in the fields of services and clerical work. These represent 58.3 percent of the personnel of the total national work force.

What do these percentages and numbers represent?

A drop in those participating in the work force was observed in spite of the increase in the population.

Where did this force steal away, and to what field did it make recourse?

It has been proven that illiteracy is still established in the nooks and crannies in spite of the claims of having "erased" it and controlled it.

More than half of the working Kuwaiti work force does clerical work or work related to services; bear in mind that petroleum is the primary substance of the budget.

Why has the national work force accumulated in this sector, that is, in the sector of service and clerical work, and no other, while the force in the industrial sector did not exceed 6.7 percent in 1974, and most of it accumulated in administrative and clerical positions?

Do not these percentages and numbers ring the danger bell and make us review all of our programs at the technical institutes and the system of industrial delegations, the two of which can be likened to a sieve? The sieve, no matter what kind of seed is placed in it, will not hold but a very few of them, that is, those which have become large and swollen. Why are our harvests like this, after we have been exporting petroleum for more than 40 years?

An exhaustive and detailed review must be made, because the national work force is the real resource. If the condition of this resource is the condition described and revealed by the numbers, does not this condition demand a pealing of the danger bell and our crying out for a review and conclusions from the studies?

9605

CSO: 4404/336

# SCANDALS IN GOVERNMENT PROVOKE PRESS COMMENT

Kuwait AL-TALI'AH in Arabic No 789, 20 Apr 83 p 14

[Editorial: "Between the Scandal of the Guide and the Scandal of the Deputy"]

[Text] The press recently referred to the arrest of one of the deputies caught in the act of one of the great sins, in two apartments which he rented for this purpose. The press has not given many details concerning this occurrence. A short time previously the press also handled the scandal of the technical director in the ministry of education, criticized certain practices which resulted in covering up the falsehood of the scandal, and demanded that justice fulfill its responsibility with regard to this matter. Immediately after the press reaction and the multiplication of rumors concerning it, a higher committee was formed to investigate the subject.

What is the meaning of incidents such as these occurring in Kuwait?

The simplest conclusion for such scandals as these is that the citizen reached a point where he could not safeguard himself from the influence of certain influential persons who exploit their positions, situations and immunities to do harm to peoples' reputations and customs. This is what is called in law an infringement of social security for the society, because the citizen becomes a prisoner to the desires and greed of the influential person and is compelled to display that which is not in accord with logic, intelligence, honor or conscience. All of this takes place safe from punishment and in a place of safety from the hand of justice reaching those who toy with the destiny of the people.

The menace from these incidents is not restricted to this level; many spiritual weaklings have considered the occurrences of these incidents a justification for devotion to what is incompatible with values and customs. Their excuse will be: "Why are the little people accountable, yet you let the bigshots do whatever they wish?" This means that vice will spread and corruption will increase.

Another result of such incidents is that they cause society to lose confidence in its members and strife and hatred prevail instead of human understanding and love. Above all, such incidents contradict true Islamic

religion and the simplest elements of Islamic morality. Because of all this, such incidents represent a high-level menace which cannot be ignored nor its effects diminished. It is not possible to lower a veil upon it and "cover up" under any excuse, no matter what it may be, because disregarding it or "covering up" will never put an end to the gossip about these scandals, but will contribute to increasing the spread and inflation of rumors and injecting them with vast imagination. All of this poses a considerable threat to the society.

In the face of all this, justice will surely take its course with regard to those who violate laws, values and customs, and everyone who commits an offense will surely receive his due, so that the foundations of social security are established and the people are firmly reassured about their spirits and their dignity. Then it will not be possible for anyone, no matter what his position, importance or authority, to toy with our social security and to practice his pastimes and caprices without any deference toward this security. The National Assembly bears a great responsibility to enforce justice and shore up the foundations of social security. From this point on, the assembly must oppose such practices, whether they are the doing of one of the members or anyone else.

We hope that the National Assembly does not apply the proverb which says "You scratch my back and I'll scratch yours" to one of its members.

9605

CSO: 4404/336

## FRAUDULENT SALES PRACTICES EXAMINED

Riyadh AL-YAMAMAH in Arabic No 751, 11 May 83 pp 3-9

/Text/ A professor at the Faculty of Business Administration recounted this incident to which he was a witness: "I was at a friend's recently and we were joined by a noted merchant. As we chatted a traveling salesman from Nationalist China came in, carrying samples of assorted pajamas of different sizes and colors. The quantity he wanted to sell was a "million" pajamas, which he was storing in a depot in a neighboring Gulf country. The pajamas were of good cotton fabric, and looked very tempting to buy. The salesman wanted to clinch the deal at any cost. He did the impossible to finalize it, as we knew he had been traveling for a while to wind it up. He offered an unbelievable price. He asked for only 1 riyal per pajama, which we later discovered retailed for 40 riyals in the stores, and for 20 riyals on sale. We were stunned by the excess of the figures because the percentage of profit--even if the sale were legitimate--seemed very high, with this rate reaching at least 20 times the original price of the product. We also calculated how much the merchants profit from such deals and how much they make from sales, at which millions of pieces of this sample sold. The implications derived from the economic professor's incident are dangerous, as they point to a kind of "fraud" being practiced by merchants in the guise of "sales" or clearances. This is a major swindle whose first and last victim is the consumer.

We are writing this story, not to discredit merchants, or to impose controls or restrictions on commerce in a country advocating freedom of trade and competition for all. Rather, we are writing about this matter in defense of the citizen. The consumer who invariably falls victim to commercial fraud, or a game called "sales," while small and big merchants attain massive profits from these clearances.

We are not against profitmaking by anybody. We are not against the flourishing or furtherance of trade, but we oppose commercial fraud, the deception of citizens in a fashion deemed unacceptable by Islam or the law.

The practice of various types of cheating, fraud or deception in the guise of what we call sales may, first, make a citizen lose confidence in the merchant and, second, lose confidence in the product, in sales transactions and in the market as a whole. We, therefore, wish to regulate clearances and sales so as to ensure their validity. The ultimate goal would be to promote sales transactions, and create more flourishing trade by speeding up capital turnover.



As for the ongoing sales, we regret to report that they represent more cheating than they do the truth, with deception overtaking honorable trade.

Major fraudulent operations are being undertaken under our noses every day and they go unchecked. Their aim is to distribute and advertise defective merchandise shipped from Southeast Asia, or as surplus goods from outlets in Europe and America.

The consensus we have found regarding this matter is that sales in our country are imaginary and false and differ radically from those conducted in the west.

All those consulted have denounced sales as they are carried out today. There was a convergence of views between economists on the one hand and consumers on the other. Nearly all opposed this phenomenon's excesses and spoke against it, perhaps with the exception of the merchants themselves and some salespeople in the stores.

The Director of Consumer Protection at the Ministry of Commerce told us that the law was "absent," since no penalty could be imposed without a statute and that the matter was still under study.

A professor of economics told us that a sale was nothing more than a swindle in most instances.

Another professor at the Faculty of Business Administration said that sales currently taking place in the Kingdom are more exaggerations than actual truths.

A third professor of economics said that sales are in fact a type of commercial "cheating" presented in a modern fashion.

The consumers had more to say. One buyer said he purchased a suit from a fashionable store for 650 riyals. The next day he found it selling for 200 riyals.

A lady buyer said that merchandise sold in sales is characteristically inferior in quality and full of defects.

Another lady said she did not believe prices posted for sales. How could an item be priced at 850 riyals and sold at a sale for 250 riyals, she asked rhetorically? How much was the merchant making in profit with such a margin of price decrease? The lowering of a product's price to a quarter of its value diminishes the consumer's confidence in the merchant's honesty. That translates into a form of fraud of which the consumer is the ultimate victim.

Fellow citizens are in agreement that an "error" is being made in front of our eyes every day, without our doing anything.

This is the mistake to which we have alluded. We want to regulate, through legislation, the matter of sales, whereby certain merchants will no longer reap incredible profits and citizens will not fall prey to various commercial fraud ventures.

We have tried from the start to characterize the phenomenon, by meeting with more than one economist, to analyze with them the advent of sales, in both a positive and negative light. The first meeting was with Dr Fayiz al-Habib, chairman of the Economics Department at the Faculty of Business Administration at King Sa'ud University. He concluded, rather seriously, that the sales phenomenon is detrimental to the national economy.

As for how we reached this conclusion, that is the result we can achieve by analyzing the phenomenon with Dr al-Habib.

Dr al-Habib contended that sales constitute a relationship between seller and buyer. The seller wants to sell the largest quantity of merchandise. The buyer wants to acquire the merchandise at the lowest possible price. Further, in economics there is a theory known as "the consumer's preeminence," which makes his wishes known about buying a certain product. The seller or producer wants to satisfy this need. At first, the consumer appears to have the upper hand in this relationship. What actually happens is the exact opposite. The theory is pure fantasy and the element of control is that of the producer, who can influence the consumer and his taste in a thousand different ways.

We asked: "How?"

His reply: "By advertising, publicity and display of merchandise. In addition, we display a certain item to consumers and flood the market with it. The best example of that is the mountains of shoddy products that inundate our stores today from Southeast Asia--particularly Hong Kong, Singapore and Taiwan. The products are cheap for a variety of reasons, including lower labor costs and lower quality levels, in addition to being imitations of actually existing merchandise.

"The time has come for us to verify the types of products that enter the kingdom, their quality and manufacture. Most of the products sold are misleading since they imitate international brands and sometimes go so far as to affix famous brand labels on them. This phenomenon is most common in clothing, watches, pens and others."

We inquired about sales and his opinion about them.

He said: "Sales, which display the products we mentioned, and of which millions are sold, are nothing more than fraud against the consumer in most instances."

We asked: "How?"

We replied: "First, a product may have been stored for a length of time. The merchant would sell it cheaply and the consumer would then discover that the product does not last.

"Second, sellers may post exaggerated and imaginary prices, then proceed to reduce them. This means the consumer is the obvious victim of commercial fraud--hence his entrapment in the web of these imaginary sales.

"In general, this phenomenon, with all its cheating and embezzlement from the consumer, is new and detrimental to our Islamic society. Islam does not accept that which is harmful or disadvantageous. The story of the Imam Al-Shafi'i about the man who sold effective merchandise to a buyer is well known. It indicates unequivocally that Islam, which translated religion into action, does not accept this phenomenon with all its negative aspects."

We asked: "Who is responsible for this error?"

He said: "The merchant, the citizen and the Consumer Protection Administration.

"Merchants understand only too well the policy of commercial freedom misrepresented by the state. Many of them imported shoddy, cheap-quality products to maximize their profits from selling them. The fault here lies with the merchant who forfeited his national responsibilities, which require him to be honest and honorable in all his transactions. He further miscalculated by flooding the market with this type of shoddy merchandise that leads to a trend of consumption harmful to the national economy. A consumer accustomed to cheap and shoddy merchandise will no longer be able to purchase an expensive product, even if it is good. This consumption trend, if popularized, is harmful to the citizen and society alike.

"The citizen, too, is equally responsible, as he is the buyer. Had he been blessed with the necessary consumer awareness, he would not have fallen victim to those merchants. What is needed is awareness, which makes consumers, not merchants, lords of the market.

"Similarly, the Consumer Protection Administration cannot do everything on its own. Therefore, there must be effective cooperation between citizens, on the one hand, and the Administration on the other--whereby each party exercises its responsibilities on the requisite national awareness level.

"It all means that the sales phenomenon, in its present form, is harmful by any measure. It conditions merchants to expect a very high rate of profit, and that cannot be achieved except by bringing shoddy products from sources noted for their imitations of actual merchandise. It further gets citizens accustomed to inferior consumer trends--hence a citizen becomes used to a cheap product, regardless of its quality. This creates a flaw in the relationship between merchant and consumer. This flaw brings about a quick profit to some, but ultimately leads to the most serious dangers to the national economy in the long run."

We asked: "What is the solution?"

He replied: "Checking the phenomenon; establishing organized regulations to deal with it; acquainting the merchant with what God requires of him in sales transactions; awareness of the citizen so as not to fall prey to fraudulent imaginary clearances and sales; not purchasing unnecessary goods; and the consideration of value and variety before price.

"Prior to all that, we should create the missing cooperation between citizens and the Consumer Protection Administration. Moreover, chambers of commerce must, in turn, define and control merchants' actions in operations involving imports, sales, purchasing and price mark-downs.

"Our society must be based on Islam. Its people's behavior must be inspired by its tolerant teachings. A primary observance promoted by Islam in commercial dealings is that the relation between seller and buyer be based on the religion's orthodox foundations."

Do we actually practice these teachings?

That is the question.

We conducted a second interview with Dr Mukhtar Balul, assistant professor of economics at the Faculty of Business Administration at King Sa'ud University. He differentiated between two types of sales.

First, there is the economic variety which is conducted by famous merchants with well-known and trusted names. They aim, through sales, to dispose of merchandise in their possession because of its large space occupancy, or because of its seasonal expiration. A merchant then estimates his reduction return, compared with the cost of storage and finds it in his interest to sell at a reduced price. These are, then, true reductions.

Second, there are sales undertaken by small merchants. They resort to posting high imaginary prices on the product, followed by a big reduction on this price. That means they are setting a trap for the consumer who becomes a starving morsel in these merchants' mouths.

Sales, as conducted in advanced countries, are based on preliminary studies to guarantee their validity. That, of course, does not happen here, except with very few major merchants. We can, therefore, say that sales currently underway in the Kingdom are replete with embellishments and extemporization, rather than truth and seriousness.

The best example is that merchants do not announce the beginning or end of a sale, but leave it open, without determining a starting or finishing date. They just announce that it would last 2 weeks. Until when...nobody knows.

Hence, there should be more effective supervision than exists today. There is laxity in the business of selling and buying among smaller merchants. But resistance to this laxity could prove more costly. In another vein, the Ministry of Commerce may think that sales only occur with luxury items. But since they are fixed in price by the government, there is no harm in a merchant selling products in a sale for 20,000 or 30,000 riyals.

But one may counter that argument by saying that merchandise worth millions is sold during the sales--which would necessitate interference to protect consumers. What counts is that everything being labelled for a sale needs more effective control, the aim of which is protecting the consumer and not tempting the seller to create an imaginary sale.

A form of serious control would guarantee the validity of the sale itself, and the reduced price on the merchandise. This control must be exercised prior to and during the reductions, protecting consumers from smaller merchants who have no qualms about cheating citizens.

This very point, connected with commercial fraud, was brought up by Dr Majid al-Munif, assistant professor of economics at the Faculty of Business Administration at King Sa'ud University.

Dr al-Munif said that what is now billed as a "sale" is nothing more than commercial fraud, but presented in a new fashion. That, in turn, leads to many negative results in commercial operations and against the citizen himself.

We asked: "What are they?"

He said: "There are three basic negative effects we can determine in this framework. They are:

"First, in real sales in other societies, brochures are distributed, describing the product to be reduced in price; the date of manufacture; and, its actual price before and after the reduction. These facts benefit the buyer in identifying what he wants, its price and the amount of benefit accruing to him in the event he buys it on sale. But here, the matter is extemporized; and reductions are made on imaginary prices. A merchant who sells a product at a 50 percent reduction of its price makes us wonder how much profit he was reaping prior to the sale. If he sells it for half its previous price, he is still making a profit. What I am trying to say is that unchecked sales encourage sellers to dispose of shoddy products.

"Second, sales in their present form condition consumers to increase their harmful affluent purchasing habits. Persistent advertising and continuous price reduction--regardless of product quality--get the buyer accustomed to acquiring a large quantity of cheap goods, irrespective of their value, or his need for them.

"Third, the great savings occasioned by sales leave a residue of negative psychological effects on consumers who get used to buying only from sales, without examining the variety of products or their quality. The important thing becomes the price, more importantly, the lower price."

These negative effects of the arbitrary sales phenomenon become the responsibility of the aware citizen; the Chamber of Commerce; the Bureau of Standards and Measurements; and the Consumer Protection Administration. The final goal here is the citizen's protection against entrapment by the merchant. The question remains: "Is that actually happening?"

Consumers say the disparity in prices has become a problem with no solution. One can sometimes find a product on sale for 400 riyals. The next day one could find it for 200 riyals, without benefit of a sale, at another store. How can we protect the people?

That was the question posed by Muwaffaq al-Zanati, an employee in a Riyadh company. He bought a suit for 650 riyals from a large shop on King Faysal St. The next day he found it selling at the same store for 200 riyals.

Another citizen, Jamal Hasan, said he bought a product for 890 riyals before a sale. An hour later he discovered the same product sold in a store in al-Bathai, not on sale, for 400 riyals. How, then, can he have confidence in such reductions?

An Egyptian lady called Hadiyah Muhammad told us she was swindled more than once at sales, during which she had bought goods which she later discovered were rather inferior. She found, for example, that the fabric she had bought had run and that it had shrunk the first time she washed it. The result: she was the victim of defective merchandise bought cheaply from a sale.

Conversations with other people are all similar. They center on the interpretations touched on by this matter--including price disparity, lack of precision, imaginary reductions, cheating and the sale of shoddy merchandise.

These people recount dozens of incidents, each pointing to one of the interpretations, which lead to the indictment of merchants, on the one hand, and the sale phenomenon (as exercised without controls), on the other.

Despite all that, merchants and sellers respond to all the charges in various ways--albeit in an unconvincing fashion, for the most part.

A famous shopowner of ladies' garments on al-Wazir St, Radwan 'Adil, said that reductions do not mean a merchant is selling at a loss. Rather, it signifies that he is selling at a lower price. He asked: "If the state has decontrolled housing, why not decontrol profits for merchants in a similar fashion? If a shop's rent on al-Wazir St is increased from 80,000 riyals to 200,000 riyals by the owner, will the merchant tenant make enough profit to equal the increase?

I said: "They must be profiting, or else they would not go on in business."

He said: "But they have astronomical expenses. The Consumer Protection Administration has imposed four elements on expenditures, upon which a merchant's profits can be calculated. They are: The price of the product's cost; the shipping expense; the bank's commissions; and customs duties. These are not the only expenses incurred by a merchant. There is also the rent of the shop and storage areas, employee's salaries, in addition to interior decoration and publicity, to name a few.

"Add to that the fact that prices are currently low because the Saudi government is reinforcing the value of the riyal against the U.S. dollar, pound sterling, and Swiss franc. You would then realize how different the picture looks from the opposite perspective."

I said: "But consumers are complaining about commercial fraud during sales."

He said: "Those very same consumers fall prey to real fraud in London and Paris, because they go there during the sale season and buy goods sold here at lower prices."

I asked: "How can a product be sold for 40 riyals, as marked down from a previous price of 100 riyals? How much profit did the merchant make before the reduction?"

He said: "A merchant, during a sale, may settle for a profit between 30-40 percent, instead of 100 percent before the sale."

"A merchant may sell his goods at a loss, because selling at this reduced price is more acceptable than storing them and then selling them at a loss to boot. Capital turnover is very important to a merchant. If the Consumer Protection Administration guarantees me the sale of all my goods at a profit not exceeding 20 percent of their cost, I would accept. A merchant is not a wolf out to devour the consumer. He may well be unfairly blamed in most cases."

An opposing opinion was expressed by Muhammad Ruhi, a sales executive in one of the large stores in Riyadh. He said: "Some western elements entered the commercial market nearly 3 years ago. These elements reflect badly on the majority of merchants, as they travel to different European countries to buy up stagnant stored goods at cost. They purchase them at depressed prices because of their defects. They sell them here at the highest prices. That is the group that reduces prices to a great extent. It also attains incredible profits which do irreparable harm to both merchants and sales."

There is another strange reason expounded by Baligh 'Ali, a salesman. He argued that the Saudi merchant is unfairly accused, as he travels to European capitals, buying merchandise at a cost higher than that presented by the same factory to Egypt or Syria. The merchant is then forced to recoup his money and make a profit, too--all at the consumer's expense.

Muhammad Ghazalat, a manager at a well-known shop, asked: "Why does the press attack us because of the sales? We did not invent them. Besides, there are those who await such occasions to buy. Why should we deprive a citizen of the opportunity he waits for? The buyer himself cannot be tricked. On the one hand, the scope for comparison and competition between dozens of shops allows him the opportunity to choose."

We concluded these interviews with a meeting with Haytham Sulayman, a sales executive for a large store. He said: "A sale should encourage, because it is in the merchant's and consumer's interest. The merchant sells and retrieves his money and many categories of consumers enjoy the sales. There should be no fear of the large stores, since they have become famous by providing quality goods and honest sales transactions. The fear should be from the intruders who distort the image of merchants and sales."

That was the image formulated by us in meetings with economists, merchants and consumers. In general, it condemns the sales phenomenon and the resultant commercial fraud, demanding regulation and organization of this process to protect the consumer above all.

That was the picture we presented to Mr Salih al-'Uwayn, director of the Consumer Protection Administration at the Ministry of Commerce. He said that large reductions during sales may be due to the merchants' desire to get rid of seasonally-expired goods, or those whose storage would require great expenditures. Or, it may be due to the sale of defective goods, replaced by new merchandise, or to the sale of the shop and the complete change of the merchant's commercial activities. These reasons may be attributed to the sales phenomenon, but they are not, we admit, the only ones. Some merchants may take advantage of this phenomenon by advertising imaginary reductions, or a merchant may reduce a certain item and increase the price of others in the same store. That is what we warn citizens about."

I asked: "What about the merchants? Where are the penalties imposed upon those conducting these imaginary sales?"

He said: "There is no penalty without a sentence. The sentences are still under review. We have included a sentence in the regulation on combatting commercial fraud, whereby Article 18 of the statute stipulates that: 'The minister of commerce is entitled to organize the methods undertaken during general price reductions of displayed goods in stores, in order to guarantee their validity and prevent fraud. That includes determining the seasons and lengths of time during which these reductions can take place. Violators will be prosecuted, according to the penalty determined by the law's first article, which amounts to 5,000-100,000 riyals, or the shop's shutdown for a period of no less than a week and not exceeding 90 days, or both.'"

I asked: "What about the disparity of prices for the one item?"

He replied: "This will be determined by a number of considerations--some acceptable, others unacceptable. The variance in prices depends on the different shop locations, facilities, decor, displays, employee salaries, the presentation of constantly changing fashions, and the origin, variety and quality of the merchandise. All these factors require the merchant to increase the price of goods. There are also consumers who encourage this phenomenon, as they concentrate more on purchasing name brands, rather than on a variety of products. Many consumers are overwhelmed by the bright lights and fancy decors of big stores that provide them with good service and an array of products from which to choose. That should not mean these stores must resort to unjustifiably increasing their prices. The Consumer Protection Administration is trying its utmost to check these incidents through controls, inspection tours and the cooperation of citizens with the Ministry of Commerce.

"But in light of our current capabilities, we cannot check all products. It is up to the consumer to look for the best variety and the least price in more than one place. As for the goods subjected to checks and price controls, they are the major products that concern most citizens, such as foodstuffs. But other goods go unchecked. It is up to the citizen to look in more than one place and he will find the price that suits him. But if he insists on a particular shop, that is his responsibility. If we receive any complaints in that respect, we investigate them and demand to see documents and administrative expenses, which may protract the investigation. But I would like to reassure



the citizen that goods and substitutes are plentiful. So why does he persist on buying from one shop, when he can find good merchandise, at reasonable prices, in another shop? In the first place, responsibility falls on the consumer. He must look for the best prices. He cannot expect the Consumer Protection Administration to cover all of Saudi Arabia's markets by checking prices. One cannot enforce price controls except through price fixing which, in itself, is at variance with the Ministry of Commerce's policy which is based on "competition." How can we encourage competition and promote it while, at the same time, fixing prices? That would kill competition. It is very easy to issue directives for controlling sales, but they will serve no purpose and bring no results. We are awaiting the imposition of sentences. At that point we shall be able to check stores engaged in commercial fraud and the deception of consumers, or the violation of regulations imposed by the Ministry of Commerce. The sentencing mechanism is still under study, as I have indicated, and has not been implemented as yet."

I asked: "What can a consumer do in the event he becomes a victim of commercial fraud concerning a product, or if he finds a disparity in prices resulting in a loss to him? What can he do in the absence of penalties?"

He said: "He must proceed to the Consumer Protection Administration with appropriate evidence. If he proves to the Administration the incidence of commercial fraud, it will investigate the matter and take the necessary actions."

"His Excellency, the minister of commerce, has issued several directives to create 93 agencies to combat commercial fraud in all cities and villages in the kingdom. They will check prices and varieties in different markets, through their representatives in all places. They will also conduct continuous inspection tours. Furthermore, at the issuance of any regulation or the undertaking of any necessary actions concerning merchants or the well-being of citizens, the matter will be deliberated at the highest levels among the merchants, to obtain their views and reach a final, acceptable solution to implement."

This sales phenomenon, condemned by professors of economics and citizens and defended by merchants, awaits regulation that would achieve its effectiveness, which will benefit the citizen, commercial transactions in the kingdom, and the national economy above all. It lacks "statute implementation," since the legislation has not yet been issued, and remains under study, as mentioned by the director of the Consumer Protection Administration. No comment.

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CSO: 4404/357

AFGHANISTAN

DEFENSE MINISTER INTERVIEWED ON OPPOSITION

AU131358 Warsaw SZTANDAR MLODYCH in Polish 10-12 Jun 83 p 6

[Maj Gen Abdol Qader, minister of defense, interviewed with Jerzy Walasek:  
"The Revolution Cannot Be Quelled"--date, place not given]

[Excerpts] During the last 5 years, Afghanistan has seen the implementation of progressive social and economic reforms which are changing the face of a country that has been underdeveloped for centuries. Its revolutionary authorities must at the same time oppose an armed interference which has been externally organized by subversive Western centers and a hostile propaganda which presents events in Afghanistan in a misleading light.

[Question] Minister, you are one of the heroes of the April Revolution in Afghanistan and a man who in no small way contributed to the fact that your country could cast off the unnecessary burden of its feudal past. What today is the role of the people who were responsible for this historic turning point?

[Answer] I should first of all make a small correction. If a person has done his duty to his nation, it still does not mean that he is a hero. All that I and many others have done is our duty and there is no shortage of duties to be performed nowadays. An undeclared war is being waged against us. However, despite the force or the measure that will be used during this war, our revolution will not be quelled just the same as the current of a river will never be turned back....

[Question] Western propaganda maintains that the revolutionary authorities and their armed forces are not in full control of the situation in Afghanistan.

[Answer] This is what they are always saying but there has still been no evidence to prove it. Certainly, subversive forces have been taking part in terrorist activities in various places, but this does not mean that we are not in control of these areas. We cannot, after all, post our soldiers everywhere.... Our armed forces and militia are stronger now than ever before and the entire Afghan territories are under their control.

[Question] However, there are still many reports of terrorist activities against civilian buildings coming in.

[Answer] Yes, things which are of use to the people and concern progress and the revolution particularly have been destroyed. Almost 2,000 schools and over 30 hospitals have been reduced to rubble in the whole country. Nor have terrorists spared their mosques or the Muslim clergymen who support the authorities. It is sheer banditry.

CSO: 2600/982

## PAKISTAN'S POSSIBLE ROLE IN KHALISTAN MOVEMENT EXAMINED

Cochin THE WEEK in English 15-21 May 83 pp 4-8

[Article by Dev Dutt]

[Text]

**T**HE parallels are there for anyone to see. And it is not as far fetched as some may want us to believe. True, the analogy may be alarming. But to ignore it would be more than folly. Then, way back in 1971, the leaders of erstwhile East Pakistan had demanded greater autonomy. In 1983, the Sikhs are demanding acceptance of the Anandpur Sahib resolution which demands much more than autonomy. The leaders of East Pakistan had charged their rulers in the west with committing grave injustices to the region and its people. Today, the Sikhs are echoing the same charge against the Centre. And last but not the least in 1971, the East Pakistan leaders had raised the Mukti Bahini, whose soldiers were trained by the Indian Army. In 1983, the Akali Dal has raised a one lakh strong squad of Sikh youth in the name of 'Appavaru Jatha' (suicide squad)

No doubt, there are an equal number of differences between the situation as existed then in East Pakistan and that existing now in Punjab. No doubt that Pakistan president General Zia ul Haq has other more pressing concerns than to think of 'liberating' Punjab. But he would be less than human not to succumb to the temptation of fishing in the troubled Punjab waters.

Talk of outside intervention in the Punjab problem has been raised from time to time but has not received much publicity for obvious reasons and hence has not been viewed very seriously. One recent fact that was noticed by few was that the district administration at Malerkotla, a border district in Punjab, informed the state government about the role of a "third force" in the riots that had rocked the town on April 4. An examination of the injuries on victims of that day's violence indicated use of pellets and blunt weapons, neither of which were used by the police. It is not known exactly who or what this third force is. Moreover, several ministers in the Union cabinet have received letters alleging that the so called Khalistan movement was supported by "outside forces". It is perhaps in this context the government of India has asked officials of the Pakistan and American embassies not to visit Punjab for the time being.

It is also a known fact that arms are being smuggled regularly across the border into Punjab. Recently 357

smugglers were arrested by the BSF in the region. About 18 months ago it was found that 38 bore revolvers of American make were being used in the spate of murders of Nirankaris. For obvious reasons the authorities are reluctant to talk about this. But many Sikh extremists today are armed with sophisticated weapons that could only have been smuggled in from abroad.

It is in the light of all these developments that the role of Pakistan in encouraging separatist feelings among the Akalis needs to be viewed. For, despite all of Gen Zia's protestations of maintaining friendly relations with India, in today's prevailing atmosphere in Punjab where Sikh fundamentalism and separatist feelings are being voiced, his sudden soft corner for Sikhs and Sikh religious shrines in Pakistan may not be a purely philanthropic gesture. It is also reported that Zia met Sikh leaders in his hotel when he was in New Delhi for the Non-Aligned summit.

In public however, Gen Zia scrupulously avoids saying the wrong things. Recently, he advised a delegation of Sikh pilgrims who called on him to stay "united and cooperate fully with the government to gain its confidence. It would also build India's confidence in Pakistan and the facilities being given to Sikh pilgrims would not be seen in a wrong light," he added.

Prior to Zia's rise to power in July 1977, most of the 11 Sikh shrines—at Nankana Sahib, Punjasaheb, Hasan Abdal and Lahore—were neglected. Zia has brought these shrines under the purview of waqf boards in Pakistan. A representative of SGPC (the supreme body of management of gurdwaras in India) Gurbachan Singh Tohra has been included on the board. Tohra, in fact was supposed to attend some of the meetings of the waqf board, but could not do so for some reason. Tohra was however warmly welcomed when he visited Sikh shrines in Pakistan, along with thousands of other pilgrims.

Among other steps Zia has taken to win the Sikhs' support are special concessions to allow Sikh pilgrims better facilities in Pakistan. For example, trained attendants (sewadars) have been appointed in three important Sikh shrines in Pakistan. Zia has also agreed to increase the quota of Sikh pilgrims to Pakistan. The number of days for staying at these shrines and the number of places of pilgrimage too have been increased.

Not only that, Zia's regime sometimes makes special arrangements for hospitality of visiting Sikh pilgrims. It is on record that Chaudhury Elahi, a close associate of Zia entertained 1400 Sikh pilgrims in 1979 and 3000 in 1980. Other facilities needed by Sikh pilgrims are also provided. Nearly 8000 Sikhs visit Pakistan in four batches and stay there for 40 days in a year.

In normal times these measures would be most welcome. But with the growth of Sikh separatism and fundamentalism, these decisions acquire a new coloration, particularly when Pakistan leaders are not disinclined to fish in troubled waters.

Zia moreover, maintains very warm relations with Jagjit Singh Chauhan and Ganga Singh Dhillon the proponents of Khalistan abroad. Dhillon in fact is as good as a member of Zia's family and he and his family stay with Zia whenever they visit Pakistan. Zia also met Dhillon when the former visited the USA.

Dhillon has in fact set up an international organization (Nankana Sahib Foundation) with the objective of looking after Sikh shrines in Pakistan and is trying to persuade Zia

to associate his foundation in the management of these shrines. But little has been done so far in this direction because Zia cannot ignore Indo-Pak agreement relating to Sikh shrines in Pakistan.

It should also be remembered that the aircraft hijacked by Sikh extremists have been directed to Pakistan and Sikh extremists feel confident about escaping to Pakistan. Further, Pakistan's attitude towards these hijackers is also intriguing. No doubt the Indian aircraft have been returned but Pakistan has not yet handed over to India the hijackers of September 1981. The trial of these hijackers in Pakistan has also been delayed. Pakistan does not seem to be keen to do anything substantial in this matter, notwithstanding several formal reminders and requests made by India at the political and administrative levels.

It is all these factors that raise fears of Pakistani intervention, albeit covertly, in Punjab. Considering the military build-up of Pakistan, with the bulk of its armed forces deployed on its frontiers with India, adventurism on its part is not all that remote, a possibility.

And the situation in Punjab, when examined in this context, the growing separatist Sikh movement—both political and psychological—could have some unpleasant consequences for India's security. Sikh separatism offers itself as a favourable psychological and political weapon to Pakistan leaders. How will India manage to resist Pakistan's designs when a cross section of the population in Punjab is psychologically pre-disposed favourably to Pak rulers and to Islam?

The formation of the "Appavaru Jatha" also needs to be viewed with concern with regard to the mood prevailing among Sikhs today. These volunteers have been formally enrolled on an oath in the name of "panth" and God. They are mostly young, in an age-group which has had little nationalist orientation. The volunteers have achieved political awareness either during mid-fifties when rabid Sikh separatist communal feelings were provoked by the follies of Punjabi Hindus or during the mid-sixties when Sikh chauvinism received a boost during the Punjabi suba agitation.

In short, these volunteers are imbued with feelings of Sikh separatism. It has been drilled into their heads that Sikhs are different from Hindus—culturally, socially, in religion and history. Not only that, Sant Jarnail Singh Bhindranwale emphasises closer kinship between Muslims and Sikhs rather than between Hindus and Sikhs. When Bhindranwale was asked about his attitude in the event of an attack by Pakistan he equivocated and said "we will see... slaves cannot fight". And this sant is the leader and source of inspiration of a large number of suicide squads.

Can Pakistan exploit the Sikh separatist feelings and the soft attitude of young Sikhs towards Muslims? Will Pakistan try to do in Punjab in due course of time what India did in 1971 in East Pakistan? It is difficult to know what Pakistan's leaders think but observers in India view with deep concern the raising of the suicide squad in Punjab. The "appavaru jatha" has all the potentialities of flowering into a Mukti Bahini-type force. Even if the present agitation is conducted peacefully, the Sikh separatists and the fundamentalists will at least partly succeed in giving to it a paramilitary character in the long run. Several retired Sikh army generals reportedly support the jatha. A military committee of such generals has allegedly been formed—one of the members of this committee is said to be General Shahbaq

Singh who trained Mukti Bahini volunteers in 1971. The committee is said to meet regularly in Amritsar.

Under these circumstances, if the situation deteriorates in Punjab Sikh separatism will spread, and in this climate, and on the basis of the psychological groundwork done by Zia and with the ready availability of a paramilitary force to the separatists, there is no good reason why the Pak factor will not become operative in Punjab.

In this context, there is one more factor that Pakistan can exploit. That is the Sikh attitude towards the Muslims. No doubt the Sikhs have fought against Muslim rulers and have been persecuted by them. But at other levels—social and religious—Sikh history is also replete with inspiring examples of Sikh-Muslim affinities and cooperation. For instance, Guru Nanak's early disciples were all Muslims, including Nawab Daulat Khan, governor of Punjab. Guru Arjun Dev invited a Muslim saint (Mian Mir) to lay the foundation-stone of the Golden Temple. Guru Hargovind was befriended by Jehangir, the prosecutor of his guru-father. Guru Gobind Singh helped the Sufi son of Aurangzeb, Bahadur Shah, to win his war of succession. The holy book of the Sikhs contains writings of Muslims saints and poets.

Not only that. Sikh scholars think there is greater affinity between Islam and Sikhism than between Hinduism and Sikhism. Says well known journalist and Rajya Sabha member Khushwant Singh: "Sikhs believe in one God and in the casteless brotherhood of man. They condemn worship of idols and images and instead pay reverence to a holy

book. These are only some of the things which they have in common with Muslims. Sikh religion owes much to Islam and as a system of belief is much closer to it than to Hinduism from which it was born. Although three centuries of persecution and fighting have made the two communities hostile to each other, the Sikh and Muslim people are remarkably alike in character and temperament."

After stating this basis of affinity between the Sikhs and Muslims, Khushwant Singh has this to add: "Now that religious factionalism has lost its purpose in secular India, the Sikhs have a unique opportunity for fulfilling the mission of the founder of their faith and bringing the parent communities together."

Thus, besides having a tradition of Hindu-Sikh unity, Sikh history has equally good traditions of Sikh-Muslim affinities. It all depends on the Sikh leaders which of these two traditions they emphasise at this point of time. In pre-1947 days, under the spell of nationalism dominant Sikh leaders emphasised their proximity towards Hindus. During the period 1937-47 Muslim leaders made several overtures of friendship to Sikh leaders. Sir Sikandar Hayat Khan, unionist party leader was very friendly with conservative Sikh leaders and included on Sikh in his ministry in 1937. In 1942, there was a Sikandar-Baldev Singh pact and the Muslim leaders were in close touch with the Sikh princes. In 1942 and 1946 Jinnah tried to woo the Sikhs and he took the initiative to meet their leaders.

It is clear that the Sikh leaders in the past had no inhibitions to strike a bargain with Muslim leaders at the time of transfer of power. But ultimately they cast their lot with nationalist leaders in the Congress. But now, when Sikh separatists have raised the bogey of Sikhs being absorbed in the Hindu-fold and feel that the idea of separate Sikh identity should be promoted, it is not surprising that the Sikh leaders should emphasise the idea of Muslim-Sikh affinity.

Further, it is well known that Sufism had a profound impact on Sikhism as well as Punjabi culture. Sufis contributed to Punjabi writings and Muslim poets Warris Shah and Bulhey Shah in the 17th and 18th centuries wrote classics which are household names in rural Punjab today.

Pakistan can exploit this psychological state of mind of the young Sikhs in the suicide squad and also other cross sections of Sikhs who are growingly becoming fundamentalist. Firstly, the rise of fundamentalism amongs Sikhs should bring the Sikhs closer to Pakistan because some of their most holy places (Guru Nanak's birth place etc.) are in Pakistan.

This process in normal times need not have been viewed with concern. But given the present ethos of the agitation which is alienating the Sikhs from the Centre, which stands for a Hindu India in the minds of Sikh leaders like Bhindranwale, any pro-Pak shift in the Sikh psyche can only be harmful to Indian unity and security.

In concrete terms, the religious, social and psychological affinities between Sikhism and Islam could be exploited by fundamentalists on both sides of the international border. For Pakistan is a geo-political fragment of a civilisation which still prevails throughout the Himalayan subcontinent. Though belonging to two sovereign states, the people of Pakistani Punjab and of the Indian Punjab are bound to each other by religious, ethnic, linguistic, economic and political ties which not only transcend the artificially drawn state frontiers, but become compellingly assertive and operative in periods of instability in both Punjabs—north and south of the Radcliff Line.

CSO: 4600/668



# TRANSITION TO A STABLE, DEMOCRATIC SYSTEM OF GOVERNMENT URGED

Karachi JANG in Urdu 9 May 83 p 3

/Last of series of articles by Irshad Ahmad Haqqani: "A Look at the Government's Political Thinking and Its Implications"

/Text/ As a result of the suspension of the constitution, there is no elected legislature in the country and no executive accountable to it. The judiciary does not enjoy full powers; the press is not totally free; freedom of writing, speech and assembly do not exist; there is no political activity and, consequently, political parties have no opportunity to grow and flourish. None of the country's basic institutions seem to be working.

No traditions are being created because the country's affairs are run under martial law ordinances. There are no institutional provisions for accountability. Citizens enjoy no constitutional rights, added to which there are no clear plans for the future. No anxiety is expressed about the present situation; on the contrary, it is claimed that there has never been a more democratic period in the country's history. Clearly, when deciding the affairs of a country, the needs of merely 2, 4 or 10 years are not taken into account but basic importance is given to long-term objectives and interests. Institutions and not individuals give strength to a nation; and institutions do not thrive in a vacuum. They need loving care to grow and they have to be tended. The present government claims that it assumed the reins of government to save the country from civil war. The question is, has the danger been averted in the past 6 years? If the danger is past, then the promise of restoring a civil government given at the time of the assumption of power should be implemented. If the danger still exists, then it is not clear what success the government has achieved. Some circles continue to criticize the shortcomings of political organizations and say that they are incapable of managing the affairs of the country, that they are not strong or organized. It is another matter if one has no faith to start with in the necessity and usefulness of political organizations. But if one considers such organizations indispensable in a democratic country, then instead of criticizing one should demand freedom of action for them and insist that they be given a chance to work. How long are we going to travel in circles and be forced every 5 or 10 years to start from the beginning? This vicious circle should end and the nation should be given the opportunity to move ahead toward established and well-known democratic principles. Even those nations that now enjoy the benefits of strong political institutions and democratic traditions

committed mistakes in the early stages of their journey; but those mistakes did not deprive them of the right to continue their progress. Had this happened, these nations would never have reached political maturity. If the new political journey that is now being mentioned in our country is in fact to begin, then its guiding principles should not be to benefit certain classes and individuals but to ensure the long-term interests of the country and the people. Otherwise, 5 or 10 years hence we will have to begin our journey all over again.

9863

CSO: 4656/179

REPORT OF ECONOMIC SURVEY DISCUSSED

GF111826 Karachi DAWN in English 10 Jun 83 p 14

[Text] Islamabad, June 9 (PPI)--The country maintained a high and stable rate of economic growth during 1982-83, in the face of an unremittingly harsh external economic environment during which Gross National Product (GNP) rose to 6.5 per cent from 5.4 per cent in 1981-82.

This was revealed in the Pakistan economic survey 1982-83 released by the economic adviser's wing of the Ministry of Finance today.

The survey, pre-budget document, presented a comprehensive review and assessment of economic development and performance during the year.

As the 5th plan ends this month, the survey also described the achievements and limitations in the various sectors of economy over the plan period, and briefly mentioned the objectives and strategy of the 6th five-year plan.

The survey stated that the success in economic performance was not peculiar to 1982-83, but was the continuation of a six-year trend of increasingly stable economic growth which has been achieved through policy efforts aimed at financial consolidations and economic restriction.

Inflation

The rate of inflation as measured by the GDP [presumably Gross Domestic Product] deflator, fell to 6.7 per cent in 1982-83 from 10.7 per cent in 1981-82, while on a ten-month basis, the consumer price index which is the most relevant index of the burden of higher prices on consumers, fell from 12.0 per cent to 5.0 per cent, and the wholesale price index, from 10.3 per cent to 4.6 per cent.

By any index, the rate of inflation in 1982-83 was at its lowest in the last decade.

The details of the economic survey were explained by the economic adviser of the Ministry of Finance, Mr Arshad Zaman, at a news conference here this afternoon.

Although rational savings increased to 13.5 per cent of GNP in 1982-83, the savings rate remained low both in comparison to other countries and in relation to country's investment needs. As a result, public finances remained under pressure in 1982-83, in recognition of the negative effect that a high tax burden can have on work and investment incentives, government revenue were budgeted at 13.8 per cent of GNP in 1982-83, below the proportionate level achieved in 1980-81.

At the same time, heightened defence needs due to geo-political development, the rising burden of debt service payment, and the legitimate development requirements of the society have had to be accompanied within the curtailed expenditure level, budgeted at only 23.1 per cent of GDP in 1982-83, compared to an actual of 25.0 per cent in 1978-79.

The government's policy has been to finance these expenditures through a judicious combination of taxation, domestic borrowing and foreign borrowing.

Strict fiscal discipline, and a sound exchange and trade policy, led to an estimated surplus in the balance of payment of 241 million dollars in 1982-83. This was achieved despite shrinking export markets, reflected in the fall in world trade, an estimated 3.6 per cent decline in our terms of trade during July-March, 1982-83 over July-March 1981-82, in net transfers from 175 million dollars in 1981-82 to an estimated 148 million dollars in 1982-83, and the continued presence of 2.9 million Afghan refugees requiring an estimated 550 million dollars in 1982-83 for food and shelter alone.

The January 1982 delinking of the rupee from the U.S. dollar, which had become artificially stronger than the currencies of Pakistan's other trading partners, due essentially to domestic U.S. policies, was the major impetus to improved trade performance.

In dollar terms, exports reached 2.5 billion dollars growing by an estimated 9.4 per cent in 1981-83, after a 17.1 per cent decline last year. [sentence as published] Workers' remittances, 2.9 billion dollars, growing by 28.1 per cent compared to 6.1 per cent last year, and imports 5.7 billion dollars, falling by 1.0 per cent as greater reliance was placed on domestic production, following 3.7 per cent growth last year.

As a result, the deficit on the current account fell from 1,610 million dollars last year to 809 million dollars in 1982-82, or from 5.2 per cent of GDP last year to an exceptionally low 2.8 per cent in 1982-83.

Reflecting increased confidence abroad in Pakistan's economy and economic management, net capital inflows have risen to 1.0 billion dollars in 1982-83, an increase of 37.1 per cent over last year.

However, with the expiration of the debt relief agreements, debt service payments have also risen by 36.6 per cent and amount to 866 million dollars in 1982-83, claiming 34.1 per cent of country's export receipts, and 13.3 per cent of country's total foreign exchange earnings. As of December 31, 1982, Pakistan's medium and long-term external debt, disbursed and

outstanding, amounted to 9.2 billion dollars compared to 6.3 billion dollars at the end of June 1977 and 3.0 billion dollars at the end of December 1971.

With the accumulation of external reserves, due to a strong balance payments performance and an expansion of domestic credit, monetary expansion during July-March 1982-83 reached 19.8 per cent, compared to 7.6 per cent during the corresponding period last year. This expansion of credit to government reflected mainly the rise in credit-financed purchases of a bumper cereal crops and sugar, while credit for budget support proper was 18.4 per cent less than the comparable figure last year.

### Strong Performance

The strengthening of domestic and external finances witnessed in 1981-83 reflected a strong performance of the commodity and infrastructure sectors. In particular, the consistently favourable agricultural performance has been a major cause of the favourable overall performance. Agricultural growth of 4.8 per cent in 1982-83 was exceeded only in 1979-80 in well over a decade. Wheat production rose by 10.1 per cent to reach 12.38 million tonnes; cotton, by 10.1 to reach 4.8 million bales, both surpassing the 1982-83 targets. These increases were sufficient to make up for the 1.8 per cent decline in rice production and 8.5 per cent in sugarcane.

Although the rate of growth of manufacturing in 1982-83 which stood at 8.3 per cent, was less than the exceptionally high 1981-82 level (11.9 per cent), its share increased from 17.1 per cent of GDP in 1981-82 to 17.5 per cent in 1982-83, major increases were recorded in the production of fertilizers, synthetic yarns, jute goods, bicycles, mild steel products, cement and basic chemicals. Besides, new production, not reflected in the aggregate statistics, of high quality steel billets and polyester yarn took place in the country for the first time, with two new fertilizer factories coming into commercial operation in 1982-83, a sizeable exportable surplus of nitrogen fertilizers has resulted.

Public sector industries under the Ministry of Production have been restructured, and have sharply improved their performance. The real value of their production, at 1977-78 prices increased from Rs 9.7 billion in 1981-82 to Rs 11.7 billion in 1982-83. Sales went up from Rs 17.9 billion in 1981-82 to Rs 20.2 billion in 1982-83. Five new units 1-1 Pak-China fertilizer, national fibres, Thatta and Dandot cement and textile winding machinery went into operation this year.

The high rate of economic growth achieved has generated a rapid growth in the demand for energy, which resulted in supply shortages in 1982-83, as energy availability remained at 165 kilograms of oil equivalent per capita for the second successive year. To meet the rising energy demand--from agriculture, industry and transport--major efforts are being made to accelerate exploration and development activities, in the immediate future, however, the major sources of energy will continue to be natural gas (40.6 per cent of total supplies during July-March 1982-83) and oil (35.8 per cent in the same period), which is mainly imported.

Economic growth has also been accompanied by increased domestic travel, movement of goods, and communications needs, which have severely strained the infrastructure capacity, especially of the railways. Passenger traffic on the railways is estimated to be the same in 1982-83, as in the previous year, while freight has declined from a high of 9.3 billion tonne-kilometre in 1977-78 to 7.5 billion tonne-kilometre in 1982-83, to ease the burden on railways, the national logistics cell has developed a carrying capacity of up to 1.1 billion tonne-kilometre per year. At the same time major investments are being made in building new roads and improving maintenance of the existing network.

Economic development, the construction of roads, bridges, steel mills, and hydro-electric dams, are all means to the end of providing for a better life for the common man. The government therefore, attaches the highest priority to the provision of social infrastructure--education, health, housing and other public services.

The requirements of social infrastructure are largely determined by the size of the population, its demographic structure, and its location. In 1982-83, the country's population stood at 88.2 million, of whom 71 per cent were in rural areas. It is estimated that of some 26.1 million persons in the labour force, 25.2 million were employed giving an unemployment rate of 3.3 per cent. By and far, the largest group was employed in agriculture 14.0 million, or 55.5 per cent of total employed and the bulk 84.0 per cent were either illiterate or with less than primary education. Of those employed outside agriculture, 58.8 per cent has less than primary education, while only 2.1 million were matriculates or degree holders. It is these 11.5 million in rural areas and 7.2 million in urban areas, who have not had the benefit of post-primary education, and their families, who constitute the under-privileged population by all social indicators, for whom the government is making special efforts.

Largely as a result of the high priority attached to education reflected in the 49.1 per cent increase in allocation to education in 1982-83--the rate of literacy increased from 21.7 per cent in 1972 to 23.3 per cent in 1981. Similarly, the number of primary schools and enrolment had increased from 59,876 schools in 1981-82 to 61,354 schools in 1982-83.

A lack of knowledge of nutrition, health and hygiene deficiencies in the health environment, and relative poverty are the key problems confronting health policy in the country. Despite the enormity of the task slow but sure progress in combating illiteracy, disease and sickness is being made. As a result, life expectancy at birth has risen to fifty-five years. Drinkable water is available to 38 per cent of the population and sewerage facilities, to 16 per cent of the population. In 1982-83, five million children were vaccinated against six preventable diseases; two million diarrhoea cases were treated; 44 rural health centres, 414 basic health units, and 2,154 hospital beds were added; and 3,919 doctors, 1,165 nurses, and 2,980 paramedics completed their training.

The government's housing policy is designed to address to the shortage of housing in relation to needs. According to the 1980 housing census, there were 6.7 persons per housing unit in the country, with 81.1 per cent of the houses having only one or two rooms, and 71.5 of the houses accommodating five or more persons. Yet, two-thirds of the houses had access to safe water, and almost a third, to electricity.

In its conclusion, the economic survey stated that after 35 years of turbulent existence, Pakistan today is no longer among the poorest countries in the world. The average Pakistani family enjoyed an income of Rs 2,332 per month in 1982-83. By comparison, almost half the world lived in countries with a lower per capita income than Pakistan, the strength and resilience of the economy is apparent from the performance during the last six years, when most of the adjustment necessitated by the dislocations experienced by the world economy in 1970s has been completed. Not only have high growth rates been achieved with price stability during these six years, but the growth rates have remained within a narrow band. From 4.9 per cent to 7.4 per cent for GDP and from 7.1 per cent to 11.4 per cent for inflation (GDP deflator). In the country's history, this kind of stability is matched only by the first six years of the early 1960s. As a result there is good reason to be confident today that the turbulent fluctuations of the 1970s are a thing of the past, and the basic economic performance parameters are likely to remain stable.

CSO: 4600/679

SPECULATION, VIEWS ON ZIA'S POLITICAL ANNOUNCEMENT

Karachi JANG in Urdu 21 May 83 p 3

[Editorial: "Significance of the Proposed Political Announcement"]

[Text] Keeping in mind the present political situation in the country, the only thing that can be said with certainty at this time is that President Gen Mohammad Ziaul Haq will be making some announcement on the occasion of Independence Day about the political structure of the country. What will this announcement consist of? What will be its limits? And what will it discuss? Keeping the 1973 constitution intact, will it provide certain guidelines for coming general elections similar to the legal framework issued by former President Gen Mohammad Ayub Khan, or will it bring about radical changes in the political make-up of the constitution? All these points are a mystery and no political observer seems to be in a position to discuss the nature of the legal or constitutional picture that will emerge over the political horizon. Similarly, no one knows whether the speech to be delivered on Independence Day will be limited to a clarification of the president's views on the future system of government or whether on this occasion there will be an unambiguous announcement regarding the start of elections and various phases related to the restoration of democracy as well. The Federal Consultative Council has formed a 30-member committee to propose suggestions concerning the political structure. The reports published in the newspapers about its functions indicate that nothing resembling a legal framework appears to be under consideration or under preparation. But attempts are being made to work out a new constitution altogether. In other words, suggestions will be made to bring about radical changes in the 1973 constitution because according to newspaper reports, guiding principles are being worked out for a new political system. It is said that improved and noncontroversial sections of the 1956 and 1973 constitutions are being made the basis of suggestions from the committee. This clearly indicates that in the light of previous constitutional experience and legal documents, guidelines for an entirely new constitution are being prepared. It is impossible to say with certainty or confidence what importance the government will give to the suggestions of the committee and how far it will make them the basis of its planned announcement. At the same time, it is also incomprehensible why the committee is expanding the circle of its deliberations for no reason. In other words, it is difficult to understand that if the government is about to make only



a limited kind of announcement, then why should the committee be engaged in preparing suggestions on basically constitutional matters? The big difference between the government's thinking and the committee's line of activity is beyond imagination. As such, there is no alternative but to conclude that the extent of the proposed announcement will not be restricted merely to a discussion of some problems pertaining to the start of elections only but that some new facts about important constitutional problems will also be presented.

On the one hand, there is an atmosphere of uncertainty and on the other some circles are speculating that along with the announcement of a political structure, the government will also clarify its program for the next elections. These reports indicate that first the municipal elections will be held and at a later date will come elections for provincial assemblies on a nonpartisan basis, and following their results, dates and procedures for national assembly elections will be announced. It has also been conjectured that the elected members of these assemblies will be asked to approve the new political structure, whereas others believe that the proposed political structure will include a clause calling for a decision in favor of a presidential form of government. Before everything else, the government will hold a referendum on its program for introducing an Islamic administrative system, then comes the presidential election following which elections for assemblies will take place. The procedure will be exactly the same as that followed by the late President Ziaur Rahman in Bangladesh.

On the one hand there is speculation about the measures the government will adopt and on the other hand some people are talking about starting a movement. Then too, some circles are advising the government to abandon the idea of giving the nation a new political structure and instead announce a timetable for holding elections under the aegis of 1973 constitution. Thus, Prof Ghafoor Ahmad, leader of the defunct Jamaat-e Islami, said the same thing today. He has advised President Ziaul Haq that instead of announcing any new political structure he should, on or before August, announce a schedule for elections. We are not in a position to say whose advice the government will accept and what decision it will take in view of the prevailing political situation. But if the collective interests of the country and the nation are taken into consideration, then one cannot help observing that to announce drastic changes in the 1973 constitution on Independence Day would not be advisable as it would open a new chapter of dissent and differences. Instead, it is being said that is advisable to announce a program of elections with the participation of political parties by making some minor changes in the conditions for candidature. This would not only avert any new controversy and protect the status of the 1973 constitution from any ill effects, but at the same time it would make any talk of starting a movement impossible. There is no doubt that President Ziaul Haq's 14 August announcement will be crucial turning point in the political life of the country. The turning point should be such that instead of leading the way to dissension and differences, and thereby obscuring the cherished goal of democracy, it should open up avenues toward this goal.

9315

CSO: 4656/185

## ECONOMIC COUNCIL APPROVES BROAD OBJECTIVES OF SIXTH 5-YEAR PLAN

Karachi DAWN in English 1 Jun 83 p 1

[Excerpt]

ISLAMABAD, May 31: The National Economic Council (NEC) today approved the broad objectives, strategy and goals of the Sixth Five-year Plan with a total outlay of Rs 495 billion and authorised the Planning Commission to firm up the Plan document after further consultations with various Ministries, agencies and Provincial Governments in the next two months, in the light of today's NEC discussions.

Dr Mahbubul Haq, Federal Minister for Planning who is Deputy Chairman of the Planning Commission has been directly concerned with the formulation of the Sixth Plan, said here this afternoon that the NEC directive to hold further discussions on the Sixth Plan with the concerned Ministries, agencies and provincial authorities, would not alter the launching date of the Plan which is July 1, 1983.

The NEC also approved the Annual Development Programme for the fiscal 1983-84, which forms the integral part of the Plan. The Deputy Chairman made an 8-page presentation at the NEC meeting which was presided over by Mr Ghulam Ishaq Khan, Federal Finance Minister and Chairman of the Planning Commission, in place of President Mohammad Zia-ul-Haq who was admitted in the CMH for his gall bladder operation earlier today.

Dr Mahbubul Haq told a Press conference after the NEC meeting that the two-month period given for finalisation of the Sixth Plan would

enable him to make another round of provincial headquarters to hold discussions with the provincial authorities and give him opportunity for further consultations with various agencies and sectors concerned in formulation of the national plan. He, however, pointed out that the extra time given for discussions, would not lead to any major change in the overall dimensions of the Sixth Plan as formulated and presented to the NEC today.

The Planning Minister said that the Sixth Plan did not actually visualise very ambitious investment which might lead to unmanageable inflationary trends in the country. He pointed out that on the basis of the current prices, the Plan outlays were sought to be increased from 16 per cent to 18 per cent of the GNP which was well within the safe limit which could be as high as 25 per cent. In this context, he also pointed out that private sector was expected to make the major contribution in Plan programmes while in diminished role, the public sector would lay its stress on development of infrastructure in the sectors relating to energy, transport, health and education.

Answering a question, Dr Mahbubul Haq said, while the ideas thrown up by the working groups which were set up by the Planning Commission to provide guidance in Plan formulations in various sectors had been accommodated in the Sixth Plan, their recommendations as to the financial allocations were obviously not accepted. If they were accepted, the size of the Plan would have been twice as large as proposed in the Sixth Plan, he said. Dr Haq is expected to give out the Sixth Plan size and sectoral allocations at a Press conference on Thursday.

## SIXTH PLAN HIGHLIGHTS REPORTED

Karachi DAWN in English 1 Jun 83 pp 1, 4

[Text] ISLAMABAD, May 31--Following are the highlights of the Sixth Five Year Plan, approved by the National Economic Council (N.E.C.) here today.

### The plan stresses upon:

—The combining of strong production base with an equally strong social conscience.

—The rapid economic growth to raise the standard of life of the common man in the country.

—It concentrates on the small farm production in addition to general agricultural advance to benefit the poor from the economic growth.

—It provides for the development of small and medium industries, side by side with overall industrial growth.

—The Plan asked for progress in general but protection for the most vulnerable groups in society, too.

—It provides a growth rate of 6.5 per cent in GDP to help improve 20 per cent of family income by about Rs 900 per family per annum.

The policy package includes:

A major increase in agricultural yield through efficient use of fertilizer, water and farm technology.

—An expanding foothold in export markets for wheat, rice, fruits, vegetables, flowers, poultry and meat.

—Increased self-sufficiency in oilseeds.

—Rapid development in steel-based engineering goods, modernisation of textile industry, and establishment of agro-industry.

—A balanced development of service industries, particularly public services to satisfy basic human needs.

To improve the quality of life the

### Plan aims at

—Dramatic change in literacy rate:

—Access to potable water and sewerage facilities:

—Spread of benefits of electricity and improvement of health facilities.

—Policies of co-existence and cooperation between public and private sectors will be encouraged in all sectors of economy including agriculture, industry, construction, education, health, services and trade.

The private sector will also be encouraged to construct highways, airport terminals, energy development and telephone services.

While a major liberation of the private sector is contemplated, policies are also being formulated to ensure that:

—Social interests do not become a casualty in any such liberalization drive.

—Private sector must become more efficiency—conscious and competitive rather than continue surviving within a highly protected and sheltered market.

—The government sector will increasingly play a promotional, rather than a regulatory role. It will encourage the introduction of new technology and efficient practices by streamlining the price and fiscal signals to the private sector.

—The local bodies will be encouraged to play a much larger role in the construction of primary

schools, basic health units, rural health centres, farm-to-market roads and rural water supply. The Sixth Plan also contemplates major financial support for non-governmental organizations (NGOS).

—The Sixth Plan will provide new employment opportunities for nearly four million additional labour force particularly in agro-and-engineering industries. Vocational training for labour force will be accelerated. Electricity will be provided to 86 per cent of the total villages, containing nearly 95 per cent of the total rural population. The additional network of farm-to-market roads will increase several-fold.

—The supply of clean drinking water will be raised in rural areas from the present 22 per cent to about 45 per cent, and sewerage facilities from a 4 per cent to 10 per cent.

The Sixth Plan programmes for the poorer groups in society include:

—Benefit of Zakat and Ushr system to about two million Mustahiqeen during the Plan period.

—Nutrition programmes for 1.25 million severely malnourished children and one million pregnant mothers:

—Provision of a special programme to look after the special education and curative needs of one million disabled and handicapped children:

—Generous financial support to non-governmental voluntary agencies to encourage them in their efforts to ameliorate the social and economic handicaps of the poor people:

—100,000 small plots will be developed every year with the provision of interest-free loans to help low-income groups build their own houses on a self-help basis; and development of a nation-wide system of scholarship both through the normal budget and from Zakat and Ushr funds, to ensure that no talented child is denied education on grounds of poverty.—APP.

# REALITIES BEHIND SIXTH 5-YEAR PLAN CLAIMS QUESTIONED

GF121335 Islamabad THE MUSLIM in English 3 Jun 83 p 4

[Editorial: "The Plan Is Modest But the Rhetoric Is Loud"]

[Text] The financial outlay of the Sixth Five Year Plan has at last been settled and the National Economic Council has approved it. Though the outlay is not as ambitious as two and a half times the outlay of the Fifth Plan, as Dr. Mahbubul Haq had sought earlier, it is to be 49 per cent more in real terms and 109 per cent more at current prices. And while the broad objectives and goals of the plan are unexceptionable, the strategy sought is debatable as any strategy will be in a developing country with an indefinite number of political, economic, social and cultural problems.

But is the kind of vast hopes raised by Dr. Mahbubul Haq or the rhetoric that he employs to sell the plan to the country realistic? Borrowing the American ideal of democracy, he says the "objective of the Sixth Plan is the development of the people by the people for the people." Can it really promote "equality of opportunity" in a land where 30 per cent of the 87 million live below the poverty line? Is it really "a blueprint for social justice and economic prosperity", as President Ziaul Haq has described it? Possibly the more cautious comments of the finance minister and chairman of the Planning Commission Ghulam Ishaq Khan are more appropriate. He refers to the plan as a "vital link in the continuing national effort to achieve economic prosperity and self-reliance" and as "an important landmark in our continuing development struggle" and says its "main objective is to consolidate and institutionalize growth while directing the overall economic strength towards meeting the essential needs of the people."

A dramatic transformation of the economy cannot be expected within five years when the increase in outlay in real terms is only 49 per cent while the increase in population during the same period will be about 16 per cent. What is really happening, as Dr Haq has said, is that instead of committing 16 per cent of the gross domestic product, as under the current Fifth Plan, 18 per cent of the GDP [Gross Domestic Product] will be committed, while a realistic need is 20 to 25 per cent of the GDP. But in a country with a large population and with too many dependents in each family, diverting such a substantial part of the resources for development is not easy. The

same factor and the relatively higher living style of Pakistan keep its domestic earnings at an abysmally low five per cent while the same is far higher in the neighbouring countries which are relatively less rich but are socially more advanced. The kind of high input-low output economy we have developed is amply demonstrated by the proposed outlay of Rs. 100 billion on the energy sector, which though nearly three times the Fifth Plan outlay of Rs. 39 billion, will increase the output of power by only 10 per cent per year.

The plan is based on several basic pre-suppositions. The ratio of external aid and internal resources, which will finance the plan has not been quantified or not released to the press. Evidently the assumption is that liberal aid will be available. The planners have also presumed that the remittances of Pakistanis abroad will rise by ten per cent per year, while there is real scepticism in this regard. The expectations in regard to foreign investment, too, appears rather lavish as the government is not in a mood to accede to the kind of demands which come from foreign entrepreneurs.

What the Sixth Plan envisages is an average investment of Rs. 10,000 crore per year, and in the public sector the outlay be made, as even if the financial targets are met the increase in GDP will be only 6.5 per cent per year. Allowing for a population growth of 3 per cent the net increase in per capita income will be only 3.5 per cent in a country whose per capita income is now well below 300 dollars. But it is vitally important that the growth sought should be substantially non-inflationary. And it should not by any means be above the 6.5 per cent estimated. Nor should any attempts be made to understate the inflation, as has been the practice in Pakistan hitherto.

In a country where every major sector in the economy has a high priority it is proper that power, water and irrigation should claim nearly half the total outlay of the plan. The allocation of Rs. 89.6 billion for transport and communications is also legitimate. Out of the allocation of Rs. 77.91 billion for the industrial sector, over 80 per cent is in the private sector. Will the private sector invest an average of Rs. 12.4 billion per year unless the government comes up with the kind of liberal tax relief and extensive de-regulation it has been calling for? The budget to be presented on June 11 will give an indication of that.

The plan cannot succeed without a total national effort, a total national mobilisation. People have to be made to save and invest. People have to be persuaded to sacrifice for the sake of development. Doing all that is not easy in a political vacuum and at a time when political parties are planning agitations. The government, too, has to cut down its consumption expenditure ruthlessly and make more and more funds available for development and social welfare.

CSO: 4600/679

## AGRO-BASED INDUSTRIES TO GET TOP PRIORITY IN SIXTH PLAN

Karachi DAWN in English 1 Jun 83 p 7

[Text]

LAHORE, May 31: Federal Minister for Industries, Elahi Bux Soomro on Monday said that the Government would give top priority to agro-based industries in the sixth Five-Year Plan.

In an interview here, he said that the Government was giving utmost importance to linkage of industries with agriculture. In this way, he added, Pakistan would not only be able to make maximum utilisation of agricultural production but would also be able to preserve agricultural products through processing.

Mr. Elahi Bux Soomro said that the capital goods industries would be enjoying proper attention of the Government in the next plan. He said if we had the engineering industry we could manufacture 70 per cent components of any plant based on high technology.

### Textile industry

To another question about textile industry in Pakistan, he said that in fact that old units needed replacements and the establishment of new modern textile units was also required. He added that Pakistani products were able to compete Japanese yarn and with the result the Japanese were scared and taking counter measures.

To a question about his visit to Nepal along with President Gen. Mohammad Zia-ul-Haq, he said that a Joint Ministerial Commission of Pakistan and Nepal had been constituted. Nepal had shown interest in various sectors. But, he added, it wanted immediate cooperation in the fields of industries, agriculture and trade.—APP

CSO: 4600/673

# MAHBUBUL HAQ OUTLINES SIXTH PLAN STRATEGY

Karachi DAWN in English 3 Jun 83 pp 1, 22

[Text] ISLAMABAD, June 2--Dr. Mahbubul Haq, Federal Minister for Planning and Development on Thursday defended the overall size of the Sixth Five-Year Plan involving outlays totalling Rs. 495 billion at future prices based on assumption that inflation rate would be confined within 6.5 per cent per year. On the base price level of 1982-83, the Sixth Plan would involve lower outlays worth Rs. 403 billion, he said.

Dr. Mahbubul Haq who is also the Deputy Chairman of the Planning Commission and directly responsible for the formulation of the Sixth Plan, assured that the over all size and sectoral allocation had been carefully determined keeping in view the guidelines given by the Federal Finance Minister who is also the Chairman of the Planning Commission. He, however, conceded that "in actual implementation of the plan it might not be possible to ensure inclusion of all policy ideas".

Dr. Mahbubul Haq who is also the Deputy Chairman of the Planning Commission and directly responsible for the formulation of the Sixth Plan, assured that the overall size and sectoral allocation had been carefully determined keeping in view the guidelines given by the Federal Finance Minister who is also the Chairman of the Planning Commission. He, however, conceded that "in actual implementation of the plan it might not be possible to ensure inclusion of all policy ideas".

The Planning Minister outlined the strategy, salient features of the Sixth Plan and its impact on national life at a Press conference here by asserting that the Sixth Plan would aim at raising the national income and employment opportunities, expand education, specially primary education, rapid extension of public services including electricity to rural areas to accelerate their development and social security provisions for poorer sections of society and a major breakthrough in agriculture.

He further said that the Planning Commission for the first time would assume direct responsibility of implementation of the Plan by setting up its own monitoring and evaluation system in its Project Division to be established with the launching of the Plan on July 1. Public accountability was the most effective method to ensure proper implementation of the Plan, he said adding that such evaluations would be made public from time to time.



The Deputy Chairman was confident of securing the requisite amount of external finance for the plan and claimed that external dependence for development would be reduced from 25 per cent to 19 per cent at the end of the Sixth Plan. This, he hoped, could be achieved by accelerating exports, restricting imports, through a steady rise in foreign remittances by the overseas Pakistanis at an average yearly rate of ten per cent as against the current 22 per cent and increase net inflow of the foreign assistance.

He agreed with a correspondent that Pakistan's foreign debt servicing would be larger at the end of the Sixth Plan, estimating that it would be around dollars 13 billion, but pointed out that the nation would be better equipped to repay the foreign loads with accelerated economic regeneration brought about as a result of the Sixth Plan.

It was also pointed out that science and technology were being paid special attention recognising their crucial role in nation's development. The allocation for science and technology had been raised three-fold to Rs. 5500 to 6000 million during the Sixth Plan period and a special cadre for the scientists and technocrats was proposed in order to offer better career prospects and rewards to the scientists and technologists. Private sector is also being invited to set up a new university for training scientists and technologists.

The power shortage in Pakistan is likely to become worst during 1985, Dr. Mahbubul Haq said. Power shortage over the years has led to frequent load-shedding in the months when hydropower generation specially becomes low due to fall in river waters.

The Planning Minister said that energy sector gets top priority in the Sixth Plan in view of its vital importance not only for development but for the uplift of the people in the rural areas where 70 per cent of the nation lives. The total power generation is estimated around 4,800 mw at the end of the Fifth Plan this year. The Sixth Plan is estimated to raise power generation to 8,200 mw.

It is expected that power shortage would become less and less after 1985. The Sixth Plan proposes over Rs. 100 billion outlay for energy sector and more than half of it would be spent on expansion of power generation and transmission so as to cover 86.4 per cent of the total villages, housing about 90 per cent of the rural population, besides serving some 3.2 million

consumers.

APP adds: The Sixth Five-Year Plan, will make a major push to substantially improve the quality of life all over the country, particularly in the rural areas.

The key elements of the programme in this sphere are increasing literacy from the current level of 13.9 million to 33 million by the end of the Plan. Enrolment in the primary schools will go up from seven million to 12.3 million during that period.

The toll taken by infant mortality will decline from 90 per thousand to 50. Life expectancy will rise from 55 years to 60 years.

Instead of 38 per cent people who have access to clean drinking water, 60 per cent will have this facility.

Sewerage facilities will be expanded to 26 per cent instead of the current 16 per cent.

Electricity will be available to 52.9 per cent people instead of 30.8 per cent as at present. The number of telephones will rise from 414,000 at present to 934,000 by 1987-88.

# LAWYERS' HUNGER STRIKE SUPPORTED

Karachi DAWN in English 3 Jun 83 p 22

[Text]

ISLAMABAD, June 2: A joint meeting of the Rawalpindi Bench of the High Court Bar Association and the District Bar Association, presided over by Sardar Mohammad Ishaq Khan, today backed the call of the All Pakistan Lawyers Coordination Committee to its members to go on hunger strike between June 4 and June 9, in support of their demands.

The meeting, attended by a large number of the city's lawyers, decided that to begin with Syed Ghazanfar Ali Shah, Secretary of the High Court Bar Association, and Mr. Mohammad Amin Jan, Secretary of the District Bar Association, will go on hunger strike at 10 a.m. on June 4. They will be followed later by others.

A similar meeting of the Islamabad Bar Association, presided over by Mr. S.P. Raza, and addressed among others by Raja Zahura, Chaudhry Abdul Latif and Khokar — senior advocates, later assured the lawyers in Rawalpindi of their full support in the programme for hunger strike.

About half a dozen senior lawyers from Lahore, including Abdur Rashid and Chaudhry Liaquat Ali, had come here specially to address the two meetings.

CSO: 4600/675

PNP LEADERS STATE DEMANDS

Karachi DAWN in English 3 Jun 83 p 22.

[Text]

QUETTA, June 2: Defunct Pakistan National Party firmly stands for restoration of democracy and holding of elections under 1973 Constitution. This was stated by Malik Faiz Mohammad Yousafzai and Mr Abdul Hakim Lehri, President and General Secretary, respectively, of Baluchistan branch of defunct PNP at a news conference addressed by them jointly at "Paringabad" near Mastung.

They said the PNP was opposed to elections on the basis of proportional representation which they added, would reduce Baluchistan's representation in Provincial and National Assemblies.

Defunct PNP leaders demanded restoration of 1973 Constitution which was unanimously approved. They also called for withdrawal of amendments made in the Constitution in the past. Both the leaders said PNP would contest elections under 1973 Constitution as a single party and accept the result in any case. They said that their party was against coming into power through back door.

Defunct PNP leaders demanded that party chief Mir Ghaus Bukhsh Bizenjo should be allowed to go from his home-town to Karachi or Quetta for treatment of his ear disease.

CSO: 4600/675

# MINISTER SAYS NO COMPROMISE WITH POVERTY

Karachi DAWN in English 3 Jun 83 p 22

[Text]

ISLAMABAD, June 2: While replying to a question as to his view on the comparative economic attainments by Pakistan and India Dr. Mahbubul Haq, Pakistan's Minister for Planning and Development observed while India had reconciled to live with poverty, Pakistan has rejected the idea of living with poverty.

A correspondent has asked Dr. Mahbubul Haq whether he agreed with him that since the so-called decade of development (under Field Marshall Ayub Khan), Pakistan as a nation and individuals had been living well beyond their means and that such an attitude had got ingrained in Pakistanis life-style and thinking.

Planning Minister agreed with the premises but rejected the suggestion that India was trying to manage itself within its means and resources. He said while India had decided to live with poverty, Pakistan had rejected it.

He pointed out that Pakistanis' urge to get out of poverty can be seen distinctly in their breakthrough in agriculture and personal initiatives demonstrated in various spheres.

Dr Mahbubul Haq who had created a stir about two decades ago by attacking Pakistan's laissez faire during the "golden Ayub era", however, observed that there was going to be no return to the time of robber barons. In course of an earlier statement at his press conference, the Planning Minister had assured that larger play to the private sector in the Sixth Plan, would be made subject to the state policies and economic conditions of the people. The private sector would not be allowed to dictate and extract any price it wished from the people.

CSO: 4600/675

## NEW INVESTMENT INCENTIVES PLANNED

Karachi DAWN in English 3 Jun 83 p 1

[Text]

ISLAMABAD, June 2: A new industrial investment schedule will be announced for the Sixth Five-year Plan, specifying a list of priority industries without any investment ceiling for individual industries, it was learnt here.

No Government sanction will be required for industries included in the investment schedule, except for clearance by investment finance institutions in case the private sector borrows from these institutions.

Automatic access to foreign exchange licensing for the import of machinery up to a fairly liberal limit will be provided for industries included in the schedule.

Policy guidelines will be announced for the terms of foreign equity loans, suppliers' credits, royalty and technical fees, within which all individual agreements will be automatically approved with only the exceptions requiring Government clearance.

The annual plans will give priority to completing existing industrial estates and setting up some new ones, particularly in less-developed areas, in order to economise on infrastructure and to provide one-window operation facilities for private investment.

Adequate foreign exchange will be lined up for the private sector by strengthening the resources of investment finance institutions, setting up new private investment finance companies, and by arranging foreign exchange lines of credit for private sector investment.

The character of the Investment Promotion Bureau will be enlarged to include investigation and identification of investment opportunities, to help promote industries by providing assistance to prospective entrepreneurs in the acquisition of land, factory, places, utilities and in arranging long-term

finances, skilled manpower and other services.

The Investment Promotion Bureau will act as a coordinating agency for attending various problems faced by investors and also will coordinate in the operation of specific schemes for financial assistance at concessionary rates of interests like small industries finance schemes, project development assistance scheme, capital assistance scheme, etc.


The Sixth Plan reforms will be directed towards: rationalisation of tariff structure to dovetail it to the objectives of providing signals and incentives for resource allocation into desired investment avenues; exchange rate, helped by the severance of the rupee-dollar link, has to become a potent and flexible tool of development policy; foreign exchange availability to investors will be augmented by the institution of a fundable funds of reasonable size; and interest rate on long-term loans for capital formation should reflect cost which can be borne by various industries, and not the short-term concern for monetary stability.

Fiscal policy will also have as one of its overriding considerations the improvement of incentives for investment. Specifically, compensatory rebate system will be further streamlined, and corporate tax structure will be geared to the need of mobilising investible funds.

The Plan policy package provides that a foreign investor will enjoy the organisational flexibility of entering in investment field direct or collaborate with the public or private sector. Portfolio investors from abroad will now be able to provide finance directly to the private sector. Development of facilities in Export Processing Zone will be continued. — PPI.

## CHANGING TRENDS IN LABOR EXPORT DISCUSSED

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English May 83 p 48

[Text]  There are two ingredients needed for industrialisation: sufficient capital and enough labour. While most of today's industrial countries managed to bring the two together, the problem of the Gulf states is that they have the wealth but not the workers. This has given rise to massive labour migration from the Arab and Asian labour-surplus countries into the Gulf. Although migrant labour can make a valuable contribution to the industrialisation of these sparsely populated Gulf countries, in practice this potential has not always been realised.

The bulk of migration to the Gulf consists of unskilled and semi-skilled labour, normally from the agricultural sector, although there is also a large number of professionals, particularly from India, Pakistan and Egypt. According to one estimate, the total number of migrant workers in the seven Gulf countries (Bahrain, Kuwait, Iraq, Oman, Qatar, Saudi Arabia and the UAE) will increase from 1,600,000 in 1975 to 3,548,000 in 1985.

Most go to Saudi Arabia, which in 1975 accounted for half of all immigrants. At present, the kingdom has 700,000 Pakistanis, 100,000 Indians, 100,000 Koreans, 70,000 Thais, 35,000 Bangladeshis, 30,000 Sri Lankans and 200,000 Filipinos.

While both labour importing and labour exporting countries have benefited from this flow of workers, there have also been many problems. Among the Gulf states there is concern about the rising proportion of non-nationals, both Arabs and Asians. A World Bank report estimates that the proportion of citizens in the total populations of the seven Gulf states will fall from 76 per cent to 57 per cent between 1975 '85.

Moreover, the Arab component of the non-citizens will fall from 71 to 56 per cent while the Asian share will rise from 19 to 31 per cent. Among the Asians, the number of southeast Asians is expected to show a drastic increase –

by more than 9 per cent – to a total of 370,000, if economic growth continues.

The chief reason for the falling proportion of Arab and, more generally, Muslim migrant labour appears to be that the southeast Asian countries have a much better network of private and government agencies linking them to the labour market requirements of the Gulf countries.

For example, while Iraq has sent home some 15,000-20,000 Pakistanis as a result of cutbacks in spending, the Philippines labour ministry has proposed financial measures to overcome the problems of the ceiling on remittances, to enable Filipinos to continue to work in Iraq. The proposals have had a positive response from the Iraqi government.

South Korea and the Philippines have been the most successful in creating institutions to administer labour migration and have both government and private placement agencies. By contrast, placement agencies in Arab countries are often private organisations, primarily interested in their own commissions.

There is much scope for the labour exporting countries of the Middle East to learn from the southeast Asian placement agencies. Given the Islamic affinity with the Gulf states, access to well-organised networks of such agencies should put them ahead of other countries and could possibly revise their falling share of the migrant labour market.

Foreign exchange earnings from remittances, however, are quite substantial for some countries. In Pakistan, for example, the Overseas Workers Foundation estimated the current figure to be about \$2.2bn a year, probably twice this amount if undeclared earnings are also taken into account. Most of this money comes from the Gulf states.

Such foreign currency earnings can be a valuable source of development finance, if they are channelled into productive activities. Yet

case studies show that much of migrant workers' earnings go to finance non-productive activities such as opening a shop, starting a trade, or simply spending on luxury consumption, particularly electronic gadgetry bought in the Gulf. A much greater government effort is required if migrant workers are to be educated as to the best use of their earnings, both for their personal benefit and for productive investment.

There is, however, another side to the positive potential of remittances – inflation. The shortage of labour in the labour exporting countries, particularly during seasonal peaks in agriculture, will force up wage rates and increase the cost of production.

In Egypt, the tradition of able-bodied men working on farms during peak seasons and earning extra cash in a nearby town during slack seasons has been interrupted by large-scale migration, which has affected food production. In Jordan, excessive migration has in the past forced agricultural wages to the urban levels and caused such a labour shortage in the Jordan Valley that unskilled Asian workers had to be brought in to supplement the remaining labour force.

This inflationary tendency is reinforced in another way. The heavy inflow of remittances will increase demand for goods, so raising their prices. In Karachi and Lahore, most remittances from the Gulf go into badly-built flats and land. High land prices have substantially increased the rate of inflation, now put at more

than 20 per cent. Unless these inflationary costs of remittances are significantly reduced, exchange earnings from this source will not be of much value to the labour exporting countries.

It is quite clear that the Gulf states, with their small populations, cannot advance very far in their industrialisation drive without the contribution of migrant labour. (The experience of Holland in the seventeenth and eighteenth centuries illustrates the need for both labour and capital for industrialisation. Holland had the most advanced commercial institutions in the world; yet it was Britain, with its much larger labour force, that was the first to industrialise.)

The labour exporting countries in the Middle East are making a crucial contribution to the development of the Gulf states. The Gulf countries should realise the importance of reducing the inflationary repercussions of labour migration on the labour exporting countries, particularly the problem of falling food production.

The problem of food supply in the Asian labour exporting countries and in the Middle East as a whole is now serious, with constant falls in production and increasing import dependence on sources outside the region. It has been estimated that by the year 2000 food output in the Middle East will have increased by 225 per cent from its 1975 level merely to allow a moderate improvement in per capita intake.

## DEFICIT IN BALANCE OF PAYMENT RECORDED

Karachi DAWN in English 31 May 83 p 12

[Text]

Pakistan's Balance of Payments recorded a current account deficit of Rs 1,264 million during the quarter October-December, 1982 which was lower by Rs 2,805 million and Rs 2,739 million as compared with the deficits of Rs 4,069 million in July-September, 1982 and Rs 4,003 million in October-December, 1981 respectively.

The improvement in the current account position over the previous quarter was mainly due to higher net receipts by Rs 2,252 million under unrequited transfers and lesser net payments by Rs 1,693 million under services account offset partly by larger trade deficit by Rs 1,143 million.

The net capital out-flow at Rs 88 million further deteriorated the position resulting in an overall deficit of Rs 1,352 million during the quarter as against the surplus of Rs 341 million in the previous quarter and the deficit of Rs 2,901 million in the corresponding quarter last year.

The trade deficit amounting to Rs 11,014 million in October-December, 1982 was higher by Rs 1,143 million and Rs 1,529 million over the previous quarter and the corresponding quarter last year respectively.

The invisibles account surplus at Rs 9,747 million during October-December, 1982 was higher by Rs 3,945 million over the previous quarter (Rs 5,802 million) and by Rs 4,265 million over the corresponding quarter last year (Rs 5,482 million). The deficit on

service transactions decreased to Rs 1,330 million during the quarter from Rs 3,023 million in the preceding quarter, whereas, it showed an increase of Rs 214 million as compared to the corresponding quarter of 1981.

The unrequited transfers denoted net receipts of Rs 11,077 million in October-December, 1982 as compared with Rs 8,825 million in July-September, 1982 and Rs 6,598 million in October-December, 1981.

**Long term capital**

The private long-term capital including direct and portfolio investments as also utilisation/repayment of foreign loans including credits under PAYE Scheme denoted a net inflow of Rs 1,768 million during October-December, 1982 as compared with Rs 418 million in July-September, 1982 and Rs 711 million in October-December, 1981.

The private short-term capital (other than direct investment) comprising mainly of movements in "Foreign Currency Accounts" maintained with banks in Pakistan recorded the net outflow of Rs 48 million during the quarter as against the net inflow of Rs 513 million and Rs 140 million in the previous quarter and the corresponding quarter of 1981 respectively.

The utilisation of long-term foreign loans/credits and repayments thereof stood at Rs 3,601 million and Rs 1,612 million respectively during the quarter.



## CAUSES OF RISING REGIONALISM IN SIND ANALYZED

### Role of Landlords

Rawalpindi HURMAT in Urdu 21 Apr 83 pp 7, 8

/Special report on Sind's problems: "Who Is Spreading Regional Prejudice in Sind? The 'Jiye Sind' Movement Was Encouraged During the Former Government's Term of Office; Bureaucracy and Big Landlords Are the Cause of Unrest in Sind; Feeling of Political Deprivation Is Growing More Intense"/

/Text/ Dr Israr Ahmad, a former member of the Advisory Council and a prominent religious figure, recently made the startling statement that a Sindhudesh movement similar to that of Bangladesh is underway in Sind. Reports of political dissatisfaction and the serious condition of law and order in that province appear frequently in the press. Certain well-wishers of Pakistan say that separatist elements have gained the upper hand in Sind and are taking advantage of the political situation there. What are the problems facing Sind? What is the true nature of the Sindhudesh movement? Who is responsible for the problems afflicting the people of Sind? To answer these questions for readers in other provinces regarding the situation in Sind, members of HURMAT's Karachi bureau and other bureaus in Sind have prepared a special report, which includes interviews regarding Sind's problems with personalities representing various classes in Sind. The report follows:

The different provinces of Pakistan have always complained that they are being deprived of their rights. The issue of autonomy has been gaining momentum for the past 35 years. The leaders continually complain that the center interferes in their affairs and deprives them of their constitutional rights. The leaders of East Pakistan also used to complain that the central government did not give them their rights and their sense of deprivation finally resulted in the separation of East Pakistan.

There is a strong feeling now in small provinces, especially in Baluchistan and Sind, that they are being deprived of rights granted to them under the constitution. For certain reasons, this sense of deprivation has gained intensity in Sind over the past few years. Some Sindhi intellectuals and leaders have been shouting "Jiye Sind" and Sindhudesh slogans for quite some time but these slogans did not gain popular support and remained confined to a limited number of individuals and circles. But in the past few years, those elements

who never accepted the creation of Pakistan have become active again; perhaps they consider the present climate more suitable for the propagation of their ideas and slogans. Observers who follow the different movements for separation and regional bias in Sind maintain that the present sense of deprivation, regional prejudice and separatist tendencies in Sind has a long history in the past and is all-encompassing.

#### Hindu Influence

Some circles blame the rising tide of regional prejudice on the Indian Hindus entering the province from Tharparkar. These circles say that some of these Indian Hindus are part of a separatist conspiracy and are preparing the ground for separation. Patriotic circles regard the arrival of these Hindus in Sind with trepidation. The Hindus from across the border are gaining control of business, which is creating unrest among the local inhabitants.

An analysis of social, economic and political conditions in Sind shows that at present the entire province is divided into areas controlled by big landlords. The rural areas of Sind especially are in the grip of big landlords who have deprived the poor and lower and middle classes of their basic rights. These classes are not only dependent on the big landlords, but they even have to seek justice in the big landlords' courts. The big landlords have hindered progress in rural areas for some years because they regard the building of roads, the spread of education and other such measures as detrimental to their interests. The local police and other minor officials help to maintain the big landlords' influence. In all of the elections held so far in Sind, landlords have always been elected in rural areas; the same situation exists in the local municipal elections held recently. This time, some middle and lower class candidates ran against the big landlords in a few areas in the municipal elections and public opinion supported the lower-class candidates; but the landlords won because the police and other bureaucrats openly supported them. Those trying to vote for the candidates of the lower classes were not allowed to cast their votes. In several places, even the candidates were not allowed into the polling places. The high-handed tactics of the big landlords have reached such proportions that educated members of the lower and middle classes have been forced to leave the rural areas and take refuge in cities.

#### Bureaucracy's Role

Some bureaucrats knowingly follow policies that are creating and increasing the sense of deprivation in the rural areas of Sind; moreover, a conscious effort is being made to create the feeling that the inhabitants are not receiving equal treatment. These policies are being consistently followed on economic and cultural levels.

The rural areas of Sind are extremely backward in industry and education; compared with the urban areas, industry is almost nonexistent in the villages. Even in areas where industries are to be found, employment opportunities for the local inhabitants are so few as to be virtually nonexistent. Educational facilities in rural areas are not even a tenth of those found in urban areas. The rural areas are not only backward educationally compared with urban areas

but even the quotas established in professional institutions, especially in medical colleges, are not properly observed, and when they are, a common complaint is that deserving individuals are deprived of their rights through the improper granting of residency privileges. Moreover, the quota established for the rural inhabitants of Sind in various government, quasi-government and independent institutions is seldom followed, as a result of which unemployment is increasing daily in Sind's rural areas. The feeling exists that treatment in various matters is not equal; it is said, for example, that when the students of Sind University, Liaquat Medical College and Jameshoao Engineering College broke the law, they were punished with flogging and 2 to 2½ years of imprisonment. But when the students of Islami Jamiat-e Tulaba held demonstrations and meetings in the city, they were not punished in the same manner and the steps taken against them were comparatively mild.

#### Political and Cultural Factors

On the cultural level, one hears the complaint that the Sindhi language is not accorded its due importance. For example, even though Shah Abdul Latif Bhitai is a major poet, a day's holiday is observed in his name only in Hyderabad district, when a day's holiday should have been declared in the entire province. The amount of time allotted to Sindhi TV programs is, by comparison, next to nothing. Most Sindhi language literary journals and magazines have been banned since the time of the former government. Up to now, the rural areas had a larger number of representatives in assemblies and ministries in Sind compared with the urban areas; but now, urban representatives outnumber rural in the Sind ministries. The same situation exists more or less in the provincial council. The spirit of nationalism has received its greatest setback from the attitude that whenever these problems are mentioned, accusations of enmity toward the country are immediately made, whereas, in fact, the people of Sind are as patriotic as those of any other area. The people who were the first to pass the Pakistan Resolution in their assembly could be no less.

Political and social circles here say that the present atmosphere of despair and deprivation can be ended if a system is established under which people of all levels are given representation and are allowed to participate in decisionmaking.

To end the present situation, it is necessary to dismantle the rule of the big landlords, and to that end, land reforms should be immediately decreased /sic/. In addition, a balance should be maintained in all matters between rural and urban areas and equal treatment accorded to both.

#### Privileges for Outsiders

Rawalpindi HURMAT in Urdu 21 Apr 83 p 14

/Special report: "Why Are Undeserving Students Granted Residency?"

/Excerpts/ Rao Mohammad Yaqub expressed the following opinion: "It is not true that regionalism is increasing in Sind. The people of Sind, however, do suffer from a sense of deprivation that arises from a variety of causes. Some parts

of Sind remain backward; some steps were taken during the last administration to improve conditions there. For example, a quota was established in professional schools for students from urban and rural areas, and the placement of graduating students in jobs was made conditional on the possession of a certificate of permanent residence. The aim of these measures was to provide educational facilities for deserving students and, after graduation, to make it possible for them to obtain jobs.

"However, when these students see undeserving newcomers to their province obtain certificates of residency and permanent residence with the help of which they forge ahead while the rights of deserving Sindhi students are disregarded, they feel deprived and raise their voices in protest, which others then call regionalism. Farmers and workers outside the field of education and the job market face a similar situation. Outsiders are given preference over local workers for jobs in factories and large institutions. Local residents get fewer jobs in defense establishments, the armed forces and the police department as a result of which unemployment is high among the local population. When voices are raised in protest against this state of affairs, it is called regionalism."

9863

CSO: 4656/178

# PROSPECTS OF INDO-PAK COOPERATION DISCUSSED

Karachi DAWN in English 1 Jun 83 p 11

[Article by Sultan Ahmed]

[Text]

Will India-Pakistan relations, which have climaxed in the setting up of joint commission for cooperation in varied areas, have a serious setback? Will Pakistan be as much interested in promoting co-operation with India as it is with the Gulf and Middle East States? And what kind of impact Pakistan's internal compulsions can have on its neighbours, particularly India?

These are the kind of questions that a Pakistani journalist faces when he meets familiar prominent Indians in various centres of power. While diplomats and politicians ask such questions as they want to have a clear perspective of the relations for some years to come, businessmen are interested in larger trade with Pakistan, journalists like to visit Pakistan often and freely, and artists and writers like to come here without excessive formalities and red-tape roadblocks.

But currently India-Pakistan relations are under a cloud because of Mrs. Gandhi's talk of Pakistan's war designs on Kashmir and India's determination to frustrate it. What is unfortunate is that the Indian Prime Minister is indulging in such disquieting talk on the eve of the first meeting of the joint commission — in Islamabad, on June 1. Unfortunately this kind of talk by her and others in her government and

Congress (I) party is likely to continue until the state elections in the India-held Kashmir on June 5, and possibly for some days after that depending on the electoral outcome.

## Indira's talk

She talks of war clouds over the region and induction of foreign arms in the region when she visits occupied Kashmir, goes to the states which have opposition governments or where her own party is getting weak, when she addresses armed forces commanders' meetings or the armed forces themselves directly, when she refers to the Sikh agitation in the Punjab or when she is politically hard pressed at times and has no better arguments to combat the opposition.

But when she meets Pakistanis, officials, journalists or distinguished visitors, she is emphatic that she wants friendship with Pakistan, and they could gain a great deal by cooperating with each other. She says the same when she is questioned by foreign journalists.

These are the two sides of Mrs. Gandhi's approach to Pakistan. In south India where opposition parties rule in Tamilnadu, Andhra and Karnataka as well as in Kerala where her Congress party is in coalition with others, the threat of a war from Pakistan does not cut much ice. There she talks of Pakistan as the thin end of the American wedge, and the real fear,

by implication, is not Pakistan's strength or design but the U.S. strength and its designs in the region.

Giving a steel edge to Mrs. Gandhi's talk of war clouds in the region is the Defence Minister N. Venkataraman's frequent reference to Pakistan's F-16, the threat it constitutes to India, and how India has been acquiring a variety of fighters, bombers, submarines and tanks to checkmate Pakistan. Although known as a balanced person, he is at this game much too often. That is bound to make the average Indian feel that Pakistan is really preparing for a war, and if it does not the U.S. will force it into it.

### Orwellian view

But there are perceptive elements in India who say that the worst between Pakistan and India is over. The kind of conflict they engaged themselves in 1971 is not envisaged by them again. But there is also the book "The Fourth Round" by Ravi Rykhe in which he sees a war possible in 1984, as if he is an Indian George Orwell. But he does not think that war is inevitable, and good diplomacy and constructive approach can banish that.

At a reception given by the Indian Economic Writers Forum for the journalists attending the seminar on South Asian Economic Cooperation in New Delhi last month I said that as persons deeply interested in the economy of the countries in the region, we hold work towards making the subcontinent a nuclear weapons-free zone.

Pat came the reply: "Does the region include China?" I said: "when I talk to the Chinese they ask whether the region include Soviet Union as well. And when I talk to the Russians they ask whether the region included the U.S. as well. So we are back to square one." It became clear that talking of making South Asia a nuclear weapons-free zone is largely a taboo in India. It is a settled question there.

It is here that we run into the 1962 syndrome of India. There is no forgetting of that by anyone of some importance in India. They cannot lag behind China in the area of arms as long Indian territory is in Chinese hands," they assert.

In 1962 Pandit Nehru as Prime Minister ordered his forces to throw out the Chinese from the

Himalayas region they had moved into, and the war was in a region in which the Chinese could build a major road without any knowledge of India for long.

If they had so much fear of China in spite of the mighty Himalayas, does not Pakistan have greater reasons to fear India as there are no natural barriers between the two countries? The Indians do not have much of an answer to this question.

Indians usually urge Pakistanis to forget 1971 and settle down for co-operation between the two countries and in the region as a whole. But when I asked them: "If you cannot forget 1962 how can we forget 1971?" they don't have much to say.

Indian diplomats, and some others in New Delhi, come up with the argument that while Pakistan lost the 1971 war India did not win it. What did they mean by that as it was a clear military victory for India, and India did succeed in breaking up Pakistan and taking its eastern half away from it? The answer to that was that instead of only Pakistan creating problems for India, as until 1971, both Pakistan and Bangladesh were creating problems for India. They also did not get a Bangladesh subservient to India or a Bangladesh which is no political or diplomatic problem for New Delhi, something — to Bhutan.

### Gain & loss

Fear of the armed strength of Pakistan voiced by India seems baseless judged by the growth of Indian army and the tremendous range of weapons it has, and India's constantly updated air force. From 1,30,000 soldiers at the time of partition, the number rose to 8,50,000 after the war with China and the total now is a million soldiers in 31 divisions, including two armoured divisions. The air force and navy too have undergone such expansion. If Pakistan spends Rs 2,000 crore on its armed forces, India spends Rs 6,000 crore, and the projections are that it will soon reach Rs 10,000 crore. And the Indian rupee has an exchange rate of 30 per cent more than the Pakistan rupee.

Why in spite of this enormous defence strength of India is there this fear of Pakistan, or talk of that

fear? Is it more psychological than warranted by facts? Mrs. Gandhi is undoubtedly generating this fear for her own political purposes. And she is doing that at a time when Pakistan wants a no-war pact with India. It is said in New Delhi that Pakistan wants a no-war pact as after that it can turn its back to India, provide bases to the USA, and become part of the Rapid Deployment Force of the U.S. Such fanciful notions or exaggerated fears have no real basis. But India likes to envision the US standing like a dragon behind Pakistan with an intent to strike India down. Such an artificially heated atmosphere and the 1962 syndrome of India are bound to retard rapid development of India-Pakistan co-operation.

CSO: 4600/673

# OFFICIAL REITERATES HOSPITALITY FOR REFUGEES

Karachi DAWN in English 2 Jun 83 p 2

[Text]

ISLAMABAD, June 1: It is strictly prohibited for Afghan refugees to buy any immovable property in Pakistan and get themselves involved in a business which leads to their permanent stay in the country.

The refugees are being accommodated in the country on a temporary basis with the spirit of hospitality and Islamic brotherhood, said Brig. Said Azhar, Chief Commissioner for Afghan Refugees, in an interview with 'APP' here on Wednesday.

He said the refugees were being provided all possible facilities purely on humanitarian grounds despite a heavy strain on Pakistan's economy. "The refugees are the honourable guests of the Government and people of Pakistan and they will go back to their hearths and homes as soon as the Soviet forces are withdraw," he added.

To a question, he said, if any refugees was found purchasing lands, houses or any other immoveable property would be dealt with severely under the law of the land. The refugees themselves keenly desire early return to their homeland and they were fully abiding by the laws, he remarked.

Brig. Said Azhar said the refugees were still pouring in with average rate of 10 to 15,000 daily.

The fresh caravans are now being diverted to the Punjab. Nearly 45,000 refugees have been shifted to five tentage villages in Tehsil Eisakhel, District Mianwali, since the middle of December last. He said adding it had been planned to settle two lakh refugees there.

He said at present there were nearly three million refugees in the country, half of them children. The figure of females was higher than males, he added.

Answering a question, he said, the vehicles brought by the Afghan refugees, so far were about 2,000 which were in their personel use. They also brought with them about three million animals, according to the record available with the Afghan refugees office in NWFP, he added.

He said over 1.2 million dollars were being spent daily on providing food, clothes and shelter to the refugees. Half of this expenditure was borne by the Pakistan Government and the rest was being contributed by foreign countries and international agencies.

Commenting on reports of the alleged selling of relief goods in the open market, he said, there was no truth in them. The efficient administrative arrangements made by the Pakistan Government to look after the Afghan refugees had been appreciated the world over, he added.—APP.

CSO: 4600/674



LEADER SUGGESTS GOVERNMENT-POLITICIANS TALKS

Karachi DAWN in English 2 Jun 83 p 11

[Text]

LAHORE, June 1: Mir Nabi Bux Zehri, President of the defunct Jee-way Pakistan Party and Chairman of Pakistan Rabita Council, has appealed both to the Government and politicians to initiate a dialogue to steer the country out of the current political crisis.

Talking to newsmen here on Monday he said the MRD would not get as much support from the people as did the PNA movement in 1977. Failure of MRD movement would shake the confidence of people in politicians. On the other hand, President Zia would not surrender power to any politician as did the late Yahya Khan. Therefore, Mir Zehri said, the politicians should map out their future strategy in the light of prevailing situation.

Answering a question, he said that in his opinion, the present circumstances were "not conducive to holding of general election in the country." At the same time, he described as "very much genuine" the demands of the MRD for holding of polls, restoration of the 1973 Constitution and complete freedom to the Press.—PPI.

CSO: 4600/674

## NOORANI SAYS ALLIANCE WITH PAGARO DEAD

Karachi DAWN in English 1 Jun 83 p 14

[Article by Hazoor Ahmed Shah]

[Text]

Apparently annoyed over what he said, Pir Pagaro's repeated meetings with the "high-ups" in Islamabad, Maulana Shah Ahmad Noorani, President of the defunct Jamiat-i-Ulema-i-Pakistan (JUP), said in Karachi on Tuesday: "The JUP-PML alliance has lost its utility; it is dead to all intents and purposes."

However, he hastened to add: "We (Pir sahib and I) have been friends and will remain so."

In an interview to "Dawn," he said his party's National Executive, whose meeting he proposed to convene in Karachi on or about June 8, will consider whether to continue its alliance with Pir Pagaro's defunct Pakistan Muslim League.

Surprisingly vibrant even after his five-month hectic tour of the Continent and the Middle Eastern countries, the Maulana made no secret of his support for the MRD's proposed drive for the restoration of democracy from Aug. 14 next.

He said plainly: "Any drive for the revival of a democratic set-up by any political party is most welcome because, thereby, the country, now on the brink of a catastrophe, will be saved."

Asked whether, if offered by the MRD, his party would consider joining the Aug. 14 drive, Maulana Noorani said that he had already conducted parleys with the MRD leadership on the question of the RTC (Round Table Conference). The JUP National Executive will consider "in what practical way" cooperation could be extended to the MRD drive, he added.

His attention was drawn to Prof.

Ghafoor Ahmad's remark that the MRD decision to start a drive from Aug. 14, the Independence Day, was made "in haste" and that parties outside the MRD fold should have been consulted beforehand. Maulana Noorani said it was every political party's right to launch a drive if and when it deemed fit. The question whether the decision was "thoughtful or haphazard" was beside the point, he added.

The JUP chief held no two opinions about a change on the political scene and his assertion that the sooner the change was brought about the better it was for the country, was categorical.

For, he contended, the set-up in vogue today in the country was "neither Islamic nor democratic in concept and character." Besides, economically, Pakistan had been made "much too dependent — on foreign doles" and the fiscal and economic policies were being worked out "at the behest of the World Bank and the IMF (International Monetary Fund)," he opined.

On the other hand, "a challenge is being thrown that the people are loath to come out on street," Maulana Noorani said, adding that "by blocking avenues to the ballot procedure, a way has been opened for other means."

The JUP chief said that if "out of sheer desperation the street politics prevailed, the responsibility for consequences will be that of the Government."

Maulana Noorani pointed out that "under the exceptional circumstances, the MRD decision

to launch a drive from Aug. 14 has not at all come to me as a surprise; it is the call of the day."

Asked about the proposed new political framework which the President has promised to announce by Aug. 14, the Maulana said: "I think it is another ruse to prolong the present regime."

Former Presidents Ayub Khan and Yahya Khan had come out with their particular political structures, Maulana Noorani recalled, asking what happened to them?

On the question of separate electorates and proportional representation, the JUP chief said he had consultation with the legal experts who were of the view that such proposals did not infringe on the provisions of the 1973 Constitution. If, however, there was any violation "we will oppose such a move," he added.

As for the forthcoming local bodies' election, Maulana Noorani said the party's National Executive would consider whether or not to participate in it on no-party basis.

CSO: 4600/673

## SAFDAR SAYS NO DENATIONALIZATION OF SCHOOLS

Karachi DAWN in English 1 Jun 83 p 10

[Text]

SIALKOT, May 31: The Federal Council, Chairman Khwaja Muhammad Safdar, has reiterated the Government's stand is not to denationalise the educational institutions in the country.

Speaking at the prize distribution ceremony under the auspices of Old Boys' Association at Government Pilot Secondary School here on Monday Khwaja Safdar said that President Gen Mohammad Zia-ul-Haq had already declared this about three months ago in Karachi.

Khwaja Safdar regretted that nation was passing through a worst educational decline at present, the responsibility of which, he said, 'lies only on the shoulders of teachers who instead of discharging their duties, teaching their pupils, have diverted their attention and energies on getting grades and other monetary gains'.

He said that for this the teachers did not hesitate to adopt even illegal and immoral means. They encouraged copying in the examination halls and gave undue marks for illegal gratification, he added.

He said that nationalization of private educational institutions in 1972 by the previous regime was unjustified and even at that time he had opposed the decision. He said now the denationalization of the taken over institutions would

create more complications and problems than those created by the nationalization.

Khwaja Safdar bitterly criticised the commercialization of education by mushroom so called private public schools. He said they have no interest in providing education to those who heavily pay for it. The owners of these public schools know only to fleece the people who for insufficient educational institutions are compelled to send their children to these institutions in a hope to get their children educated in better environments.

However, he assured that organized associations keeping national interest in view shall be adequately encouraged by the Government financially or otherwise which venture to open new educational institutions.

He advised the students in their own interest to divert their energies and attention to only education, because, they would be rulers of the nation in future. He warned them that various forces were conspiring to darken their future for vested interests.

Earlier Qazi Muhammad Akhtar, President of the Association, in his welcome address put forward problems being faced by their alma mater. Khwaja Safdar assured him to take up the matter with the concerned authorities.—PPI.

## JI LEADER ACCUSES ADMINISTRATION OF INTRIGUES, CONSPIRACIES

Karachi DAWN in English 1 Jun 83 p 7

[Text]

PESHAWAR, May 31: Qazi Hussain Ahmed, Secretary-General of defunct Jamaat-i-Islami, has said that it is our bitter experience that dictatorship in Pakistan has always given rise to intrigues and conspiracies within the administration and the same is now happening under the present regime as it happened under Ayub Khan's dictatorial rule.

Addressing a Press Conference in Peshawar on Monday, Qazi Hussain Ahmed took exception to undue official encouragement to a Qadiani Nobel Prize-winner Pakistani scientist owing mainly to the fact that members of his clan wielded greater power today than ever before, and thus the sacrifices of Muslim Ummah in Pakistan were being deliberately made purposeless.

He also severely criticised "the recent circular issued by the Finance Division using the terminology of Ahmadi and Qadiani Muslims while exempting them from recovery of Zakat though constitutionally it is a non-Muslim minority." He said, "such conspiracies come into full play when restrictions are imposed on the masses," and warned that if effective measures were not adopted to curb this trend, and if conspiracies were allowed to gain a strong foothold then "the existing concern among the people may turn into indignation which can place the country into yet another crisis."

Defunct Jamaat-i-Islami Secretary-General was also critical of what he called, "a conspiracy hatched by Christian missionaries in the form of setting up SOS children villages in Pakistan in the

name of retarded and handicapped children." These missionary organisations were thus trying to penetrate into Pakistani society with the willing cooperation of bureaucracy, he said.

During the course of his Press conference Qazi Hussain Ahmed also referred to the recommendations of Women's Division interfering with "Purdah" as laid down by Islam.

Answering to a question the defunct Jamaat leader was of the view that MRD never had the quality of launching a movement nor would it ever have in future. He said that top notchers of MRD are Government's agents who would themselves sabotage any such movement in its very infancy. He was opposed to restrictions on inter-provincial movements of political leaders which he termed as an intrigue to turn certain persons into political heroes.

Qazi Hussain Ahmed said, his party sincerely wanted to maintain peaceful conditions in the country and vehemently denied the charge of defunct Jamaat's involvement in students' trouble on Peshawar University campus.

He contradicted that, Quetta branch of the defunct Jamaat had been dissolved for any other reason than reorganisation, for two groups had emerged and his party "cannot tolerate any internal weakness in any branch of the defunct Jamaat."

Answering another question, he said, aggressors would have to be removed from Afghanistan by force. "It will be wishful thinking that they will withdraw of their own free will," he remarked.

# INQUIRY REPORT INTO KARACHI CLASHES SUBMITTED

Karachi DAWN in English 31 May 83 p 12

[Text]

The enquiry tribunal headed by Mr Justice Nasir Aslam Zahid, Judge of Sind High Court, on Sunday submitted to the Government its report on sectarian clashes in Liaquatabad on March 18 last, says an official handout.

The tribunal was constituted by Sind Government following the clashes. It held its proceedings in a courtroom of Sind High Court building till May 9. During the period in all 27 hearings took place before the tribunal.

The Advocate General, Sind, represented the local administration, while advocates representing Jamaat Ahle Sunnat, Sawad-i-Azam Ahle Sunnat Pakistan, Tehrik-i-Nizam-i-Mustafa, Imamia Council of Pakistan, and Anjuman-i-Fidayan-i-Panjtan participated in the proceedings.

Five official witnesses including the Deputy Commissioner, Karachi (West); S.P., Liaquatabad, and S.D.M., Liaquatabad, were examined, besides 20 witnesses from the public who recorded their evidence.

Facility of cross-examination was also granted. Ulema and office bearers of the five Jamaats who participated in the proceedings also filed affidavits and counter-affidavits.

Besides, 25 persons from the public sent their affidavits or statements to the tribunal. Written submissions were also made by all the counsels.

RELIGIOUS VIEWS OF ISRAR AHMAD NOT HELPFUL TO ISLAM

Karachi AMN in Urdu 30 Apr 83 p 2

/Editorial: "Do Not Make a Sensitive Plant Out of Islam"

/Text/ "Touch me and I die" is a sensitive plant with fine and delicate leaves that wilt when touched.

Nowadays, our Maulavis /title given to religious, and sometimes secular, scholars and appropriated by those claiming to be scholars/ have made a sensitive plant out of Islam.

Sometimes they oppose a certain sport on the basis of religion; at another times, they protest the participation of women in sports; they object to women going unveiled and talk of limiting women's activities.

They see Islam endangered by matters of small consequence; they seem to regard Islam as being so weak and unstable that it can be endangered by these inconsequential matters. Dr Israr Ahmad is one of these gentlemen. He is a medical doctor, not a doctor of philosophy, but he no longer practices his profession. It is not known whether he was a successful doctor or whether he turned his attention to religion after failing to make a success of his profession.

We do not know of any important religious work that he has performed. He was unknown a few years ago and became a public figure by delivering religious sermons on television. Whatever the impact his sermons, which have continued for several years on TV, may have had on the people, they have made him a controversial figure because although the opinions he expresses are his own, he presents them as though they are religious laws. His sermons and speeches have given rise to several unpleasant and divisive controversies. He makes awkward attempts to influence the personal lives of people; for example, he stated the other day that women should not watch television, as though watching TV is wrong. The question is, how can an act that is wrong for women be right for men. Dr Israr Ahmad offered no justification for his statement.

Dr Israr is not a scholar with formal training nor is he a theologian, and thus he has no right to issue religious pronouncements; but this fact does not prevent him from doing so and his pronouncements are generally controversial. At one time he opposed the game of cricket. Anyway, he attaches no importance to the

possession of the correct credentials and that may be why he retired from an activity for which he was licensed and began interfering in activities for which he is not qualified.

To this day, no one knows what kind of religious or scholarly service he has performed; how many misled individuals he has turned toward Islam; what service he has rendered to Islam and in what way he has propagated Islam. He has not authored any books of note, but he has given rise to many divisive controversies and has initiated unpleasant disputes.

At present a ladies' hockey team is in Pakistan to play matches. Upon the arrival of this team, some Maulavis maintained that the matches would open the door to non-Islamic practices in Pakistan.

Pakistani women hockey players are bound by regulations to cover their bodies and wear track suits when playing. Moreover, only women can watch the matches; men are not allowed to do so. After all these precautions, the Maulavis see the doors opening to non-Islamic activities. What can one say to this except that the non-Islamic practices are not in the hockey matches but in the hearts of those who protest against them.

Islam is the only religion in the world that has given women their rightful place and equal rights with men. In the pre-Islamic times of ignorance, girls were killed at birth. Many of our Maulavis want to confine women in shroud-like tents in the name of modesty. Since they themselves do not want to venture out from their religious ivory towers, they want women to suffer the same fate they did in pre-Islamic times. Their ideas and assumptions are not based on knowledge or religion but are best described by the vernacular "short-cut mullaism."

These gentlemen turn a blind eye to those ignorant, non-Islamic customs that have been introduced in our society from Hinduism. They have not taken the smallest action to end these customs. They take no notice of such matters as the practices connected with dowry, of how girls are deprived of their share of inheritance and young widows are not allowed to remarry.

Provoking unnecessary and divisive controversy can bring monetary rewards, cheap popularity and even wealth as has happened through the long series of television sermons. But every man has to face his Maker someday and then it will be decided who served his religion and who spread dissension within it.

We do not wish to insult religious scholars whose written words have been considered of greater value than the blood of martyrs. But (misguided) scholars who have made a sensitive plant out of Islam have existed in every age. We would like to remind these gentlemen that Islam is a universal and perfect religion that is not so weak as to be hurt by matters of small consequence; religion is not served by such "short-cut mullaism." In matters of religion, people should refrain from expressing irresponsible views.



The expression of such views points up the great need for a high religious institution in the country that would study everyday affairs from the religious point of view and express its views concerning them. Every Tom, Dick and Harry should not be allowed to sound off on religious matters without possessing some authority for doing so, nor should they be permitted, under the pretext of serving Islam, to spread dissension among Muslims and hold up Pakistan to world ridicule.

9863

CSO: 4656/179

# MUJAHIDEEN LEADER INTERVIEWED

Islamabad THE MUSLIM in English 22 May 83 p 8

[Article by Anwar Iqbal]

[Text]

ISLAMABAD, May 21: "Organisational headquarters of the Afghan resistance movements were based in Pakistan while the Mujahideen (freedom fighters) were operating from the free tribal areas, and Pak-Afghan borders", this was stated by Maulana Mohammad Nabi Mohammadi, Chief of the Harkat-e-Inqalabi Islami Mujahideen-e-Afghanistan in an exclusive interview with 'The Muslim', at Dhirkot.

The Maulana who had come to attend the Golden Jubilee Celebrations of All Jammu and Kashmir Muslim Conference at Dhirkot (Azad Kashmir) looked different from other leaders on the stage amidst his armed bodyguards and in his long black robe. The bodyguards, armed with submachine guns and sten-guns seemed very vigilant. So one needed guts to approach the Maulana.

"Since when have you been in Pakistan", Maulana Mohammad Nabi Mohammadi was asked. He replied: "I have been here for the past five years. That's when Tarakai came into power."

"Are you satisfied with the pace of the movement?"

"Yes, why not. During the past five years, the Afghan resistance movement has matured into a full-fledged freedom fight. It is increasing every day and gaining strength."

"But does the internal situation in Afghanistan reflect this?"

"The fact that the poor and oppressed people of Afghanistan have been able to put up a fight against a Super-Power should be sufficient to satisfy those who are sceptical about our freedom movement. To tell you the fact, 90 per cent of Afghanistan is controlled by the Mujahideen and Russians control only 10 per cent of the

Afghan territory. Don't you call it a success? This is my 'iman' (belief) that one day, Inshallah (God willing) we will liberate Afghanistan and will assure that the Russians never dare to cross into Afghanistan again."

"And where is this movement based?"

"You see in Pakistan we are refugees. We have taken political refuge. The movement is based in free tribal areas and the free Afghan territory on the borders which we have liberated."

"And where are the headquarters of the different Afghan movements?"

"We have our organisational headquarters in Pakistan. We organised the jihad from here. The orders are issued from here and the strategies are decided here. That's all."

"Can you compare the material gains of your freedom movement with the material gains of the Vietnamese people against the U.S. occupation army? I mean their gains were quite obvious while the results achieved by you are not so obvious, why?"

"There is a great difference between our freedom fight and the movement of the Vietnamese. Their movement was based on materialism and on an imported philosophy while our movement is based on religion. They were fighting for the ideals given to them by other while we are fighting for our own ideals, so you can not compare the two movements."

"There have been incidents of clashes between the local people and the Afghan refugees in Pakistan, specially in the NWFP, would you like to say something about it?"

"You cannot call them clashes. We have no difference with the

Pakistani people. The differences that you are talking about have been artificially created by the agents of the Karmel regime. They will not go further. The refugees protect the locals and the locals protect the refugees."

"But even casualties have been reported in these clashes?"

"Well, that's quite natural. Even between the members of a family, differences crop up and clashes take place. It's nothing serious."

"Do you think that generally Pakistanis are in favour of the Afghan refugees living here?"

"The Pakistani people have welcomed the Afghan refugees with the same zeal with which the locals of Medina had welcome the refugees from Mecca."

"There are some people in Pakistan who believe that the Afghans will never leave. What do you think?"

"They are wrong, Afghans will leave."

"All of them?"

"Yes, all of them. Not a single Afghan will be left here."

"And those who have purchased houses and shops here?"

"Even they will. If some people have purchased houses and shops, it is not with the intention of having a permanent settlement here. It is only to have a source

of income to pull on.

"Whenever Afghanistan is free, all the Afghans will go back to their lands."

"But our experience is that whosoever came to the Indo Pak Sub-continent from the north never left. Would you like to comment?"

"There is difference between those who came in the past like the Moghuls or Ghouris. They came with the intention of getting settled here while the Afghans are waging jihad to liberate their lands and to go back."

"Are you satisfied with the Pakistan's policy towards Afghanistan?"

"Yes, we are. Rather we are thankful. They have been very cooperative and sympathetic"

"Some of the Afghans complain that the distribution of aid among the refugees is not satisfactory. Do you agree with them?"

"No, I don't. They are agents, as I have already said, of Karmel government. They talk about such things just to create differences."

"Whenever, someone comes from abroad, he is taken to the Afghan refugee camps for a visit. Don't you think Afghans feel uneasy for being exhibited this way?"

"No, they don't. The visitors are the people who want to see where the refugees are and what is done with the aid."

## NEW TECHNOLOGY VS. UNEQUAL LAND OWNERSHIP: EFFECTS ANALYZED

Islamabad THE MUSLIM in English 22 May 83 p 4

[Article by Akmal Hussain]

[Text]

THE discussion in the preceding section has suggested that both the land reforms of 1959 and 1972 failed to significantly change the highly unequal size distribution of land ownership in Pakistan. As much as 30% of total farm area in Pakistan is owned by large landowners (owning 150 acres and above). These landowners constitute only 0.5% of the total number of landowners in the country.

The overall picture of Pakistan's agrarian structure has been that these large landowners have rented out most of their land to small and medium sized tenants. In such a situation when the HYV technology became available in the late 1960's the large landowners found it profitable to resume some of their rented out land for self cultivation on large farms, using hired labour and capital investment. It is this process of the development of capitalist farming which has generated new and potentially explosive contradictions in Pakistan's rural society.

## MECHANIZATION

During the period when the HYV technology was being adopted in Pakistan, there was also a rapid introduction tractors. The number of tractors increased from only 2000 in 1959 to 18,909 in 1968. The rapid increase in tractors continued and by 1975 there were 35,714 tractors in Pakistan. Bet-

ween 1976 and 1981 an additional 75,859 tractors were imported into the country.

What was significant about the increase in the number of tractors was not only the rate of growth but also the fact that most of the tractors were in the large size range. According to the report of the Farm Mechanization Committee, 84% of the tractors were above 35 horse power, while only 1% were in the small size range of less than 26 horse power. The question that arises is why were predominantly large sized tractors introduced in rural sector where 88% of the farms are below 25 acres in size. This is integrally linked with the question of why at all did tractorization occur in what is commonly regarded as a "labour surplus" economy.

## FEATURES

Both these questions can be understood in terms of the fundamental features of Pakistan's agrarian economy arising out of the highly unequal distribution of landownership. These features are:

First the distribution of farm area in Pakistan by size class of owned holding is much more unequal than the distribution of farm area by size class of operated holding. Our estimates based on the 1972 Census of Agriculture show that as much as 30% of total farm area in Pakistan was owned by landowners in the size class 150 acres and above; by contrast the percentage of farm area operated by farmers in this size class was only 9.2%. The observed divergence in the degree of concentration of farm area between owned and operated holdings suggests that many of the larger landowners must be renting out some or all of their owned area

to smaller farmers. This proposition is supported by the data which shows that the large landowners (150 acres and above) were even in 1972 the biggest renters out of land, compared to any other size class in Pakistan and Punjab respectively.

Second the larger landowners attracted by the high profitability of owner cultivation following the availability of HYV technology, tended to resume their formerly rented out land for self cultivation on large farms with tractors. Evidence for the resumption of land during 1960 and 1978 for owner cultivation on large tractor farms is provided by our fields survey data. We found that farms in the size classes 50 to 150 acres and 150 acres and above have experienced a substantial increase in their area over the period.

In the case of farms in the size class 150 acres and above, the increase in farm area over the period 1960 to 1978 constituted half their total farm area in 1978. In terms of the source of increase, 65% of the increase in farm area of large farms came through resumption of formerly rented out land. Thus resumption of formerly rented out land was by far the biggest source of increase in farm area of large farms.

There is evidence that the resumption of rented out land for self cultivation on large farms was associated with the purchase of tractors by those farmers. My field survey data shows that whereas in 1960 almost 60% of the farmers in the large size class (150 acres and above) were without tractors, by 1978 all 100% of them had at least one, and 41% had 3 or more tractors. Evidence at the all Pakistan level is provided by the Report of the Farm Mechanization Committee. It shows that within the farm area operated by tractor owners, the percentage area operated by large farmers was as high as 87%.

It appears from the available evidence that an important reason why large sized tractors began to get introduced during the 1960's was that large landowners responding to the new profit opportunities began to resume rented out land for self cultivation on large farms. Given the difficulty of:-

a) Mobilizing a large number of labourers during the peak seasons in an imperfect labour market,

and

b) The problem of supervizing the labourers to ensure satisfactory performance, the large farmers found it convenient to mechanize even though there may have been no labour shortage in an absolute sense.

An examination of Census data for the period (1960 to 1972) shows that in the Punjab province (where the New Technology had its greatest impact) a polarization occurred in the size distribution of farms. i.e. The percentage shares of both large and small sized farms increased while that of medium sized farms (7.5 to less than 25 acres) decreased. This polarization was essentially the result of large landowners resuming for self cultivation some of the and which they had formerly rented out to tenants.

The dynamic process underlying the polarization phenomenon consisted of the following elements:

1) Large landowners resumed for self cultivation land which they had rented out to both small and lower medium sized (7.5 to 25 acres) tenant farmers. However the resumption hit lower medium farms to a much greater extent than small farms due to the considerably greater degree of tenancy in the former size class.

2) As lower medium sized tenant farmers lost some but not all of their land, following resumption, many of them shifted into the category of small farms over the intercensal period.

The evidence shows that the phenomenon of polarization in the size class of farms was accompanied by a growing landlessness of the poor peasantry. Our estimates based on Population Census data show that during the period 1961 to 1973, 794, 042 peasants entered the category of wage labourers. i.e. 43% of the total agricultural labourers in Pakistan in 1973 had entered this category as the result of the proletarianization of the poor peasantry.

Our discussion in this section has suggested that given the unequal distribution of landownership in Pakistan, when the New Technology became available, it induced a process of land resumption by big landlords. This resulted in a polarization in the size distribution of farms on the one hand and an increased landlessness of the poor peasantry on the other.

# MINISTER SAYS NO PLAN TO BAN STUDENT UNION

Karachi DAWN in English 2 Jun 83 pp 1, 4

[Text]

The Interior Minister, Mr. Mahmoud A. Haroon, said in Karachi yesterday that the Government was not contemplating banning students unions.

Talking to newsmen informally after the inauguration of a seminar on prominent personalities of Sind at Goethe Institut, he said the banning of the unions would create "suffocation and that we want to avoid."

The Government, he said, was taking all possible measures to combat violence in the campuses.

The NWFP Government had banned students unions following acts of violence, he said. The law and order situation was a provincial subject and the Provincial Governments were reviewing it every day, he added.

To deal with the terrorists, the Provincial Governments had formed special squads, Mr Haroon said.

He pointed out that the police force was not well-equipped and their strength was not satisfactory. The existing ratio was: one policeman for every 700 to 800 people. Their number would be increased and they would be properly equipped to meet any situation, he said.

The policemen, he said, had already been provided with standard vehicles for mobility, walkie-talkies and wireless sets.

To control crime, the Minister said, people must cooperate with the police, which was not being done now and wherever this was being done, the situation was under control.

Mr Haroon said that during the last three years, three major incidents had taken place — the hijacking of PIA aircraft and the murders

of Choudhri Zahur Elahi and Mr Zahoorul Hasan Bhopali. Those involved in the Bhopali murder case were specifically known to the Government, but they had crossed the borders.

The Government, he said, was trying to lead the people from "destructive politics to constructive politics." Firm enforcement of Martial Law regulations would stop this trend, but the Government feared that it would reappear again once the regulations were withdrawn, he declared, and added "We want to educate the people and reform them step by step".

The trend toward violence was a worldwide phenomenon and could not be controlled overnight, Mr Haroon added.

APP adds: The Minister said the present Government was determined to transfer power to elected representatives of the people.

"However, this cannot be accomplished in one day", he added.

Mr Haroon was replying to a question regarding the scope of increased political activity in the country.

He said the Government did not want to clamp down completely on all political activities.

Asked about corruption within the governmental establishment, he said continuous efforts were being made to purge the administrative machinery of corrupt elements.

Answering another question, he said suggestions about forming a volunteer chowkidari system in rural areas were being studied by the Provincial Governments.

Presiding over the first session of the seminar, the Provincial Minis-

ter for Education and Culture, Mr Justice Ghous Ali Shah, said that Sind had remained a place of higher civilisation and great human values and the people of Sind had played a vital role in every sphere of life in history of mankind through the ages.

Quoting the history, he said several reformative movements had flourished in this holy land for the betterment of human being, in which the masses had supported the right and faced the evil with courage.

Referring to struggle for freedom, he said the Pakistan Resolution was firstly passed in Sind in 1938 which later led to unanimous resolution at Lahore in March 1940.

Among the speakers, prof Sharif-ul-Mujahid highlighted the role of Quaid-i-Azam Mohammad Ali Jinnah in the freedom of sub-continent.

CSO: 4600/674

BRIEFS

PIA HIJACKER IN JAIL--LONDON, May 20--Islamullah, the person who led the hijacking of a PIA plane some two years ago, which resulted in the death of a Pakistani diplomat who was among the passengers, has been arrested by the Kabul authorities and is being held in jail on charges of murder, reports reaching London from Kabul stated. His arrest is the result of a gunfight which broke out among the two factions of Pakistanis belonging to the so-called "Al-Zulfiqar" terrorist group in which two Pakistanis were killed. As both the sons of late Zulfiqar Ali Bhutto are now living in Libya, there is no one left in Kabul, it was said, to control or oversee the activities of the 'Al-Zulfiqar's terrorists living in Kabul. [Karachi DAWN in English 21 May 83 p 1]

TRACTOR MANUFACTURING UNIT PLANNED--LAHORE, May 22--Another jointly-financed foreign tractor manufacturing unit will be established in the private sector in Pakistan for which the Federal Government has already agreed in principle. This was stated by Mr. Renato Sorce, resident representative of a foreign concern, 'Fiat', while giving details of a new plan prepared for manufacturing tractors. He said an agreement had also been reached for the establishment of a network of technical services, to be made available at the doorsteps of farmers. [Karachi DAWN in English 23 May 83 p 7]

INCENTIVES FOR OVERSEAS PAKISTANIS--ISLAMABAD, May 24--The Federal Finance Ministry is understood to be studying the possibility of giving special incentives to those overseas Pakistanis who would deposit a reasonable amount of their income with national savings centres. The incentives, which involve financial implications, include relaxation in Custom duty, availability of plots of land for housing and other concessions. The idea regarding special incentives was suggested by a large number of Pakistanis working abroad who had also demanded establishment of national savings centres in the UAE, Kuwait, Doha and Saudi Arabia. They had called on the Director-General, National Savings Centres when he visited the Middle East some time ago. A detailed report in this connection was recently submitted to the Ministry of Finance by the National Savings Directorate. It is reported that Pakistan Embassies in European countries have also asked the National Savings Directorate to open its branches there. [Karachi DAWN in English 25 May 83 p 14]

PROBE URGED INTO JAIL TORTURES--LAHORE, May 26--General Secretary of Pakistan National Party (PNP) Mr Qaswar Gardezi Wednesday condemned the torture upon political prisoners in Haripur jail and demanded that a judicial probe be



ordered forthwith and those responsible be given severe punishment. In a Press statement Mr Gardezi said those who had received serious injuries as a result of torture included Dr. Masood, Khalil Qureshi, Mohammad Ali and Hatim. Moreover, member of the central committee of the PNP Mr Imtiaz Alam, Kisan leader Sherali Bacha, Abdul Naeem advocate and Babu Fazle Khaliq had been handcuffed and imprisoned in Peshawar jail. Their only demand was that they should not be locked up in cells an hour earlier than ordinary prisoners. Mr. Gardezi regretted that while these workers were being kept in prison without being provided an opportunity to defend themselves in courts, they were being tortured for no fault of their's. This, he said, was against the dictates of moral and legal values. [Karachi DAWN in English 27 May 83 p 20]

NOTICE PASTED ON MAZARI'S HOUSE--The NWFP Government's order, lately served on Sardar Sherbaz Mazari, President of the defunct National Democratic Party (NDP), banning his entry into the NWFP and which Mr Mazari had refused to accept, was pasted on the front door of his Defence Society residence on Thursday. A similar order served on Party's Central Information Secretary Abid Zuberi was pasted on the main entrance of his residence. Mr Zuberi said he would consult his lawyer about the notice and whether a case could be filed on the plea that his house/property had been "defaced". [Karachi DAWN in English 27 May 83 p 20]

AIR HEADQUARTERS MOVE TO RAWALPINDI--PESHAWAR, May 27--Air Headquarters is moving to Rawalpindi and will start functioning from PAF, Chaklala, from June 11 next to pave the way for eventual location of all defence services headquarters in the Federal capital, says an ISPR Press release. Air Headquarters will eventually be housed in the defence complex now under construction at Islamabad. Pending completion of the AHQ buildings in the capital, key elements of Air Headquarters are at this stage moving to Rawalpindi. The remaining elements, which constitute Air Headquarters (Rear), will continue to function at Peshawar until the AHQ is shifted to its permanent location in Islamabad. The Governor, NWFP, Lt-Gen Fazle Haq, on Wednesday night hosted a farewell dinner at the Governor House in honour of Air Chief Marshal Anwar Shamim, Chief of the Air Staff and Begum Tahira Shamim. Speaking on the occasion, the Governor paid tributes to the Chief of Air Staff. [Karachi DAWN in English 28 May 83 p 7]

AMMUNITION RECOVERED FROM DORMS--HYDERABAD, May 30--As a result of search of the hostels of Mehran University of Engineering and Technology, Dadu Police have recovered ample stock of unauthorised fire-arms. According to the details, the police have seized one 12 bore gun, one 32 bore revolver, two pistols with magazine, two 12 bore C.M. pistols, one 5.62 pistol and three daggers. Besides 73 12 bore, two 32 bore and ten 30 carbine empties were secured while two 12 bore live cartridges and six 32 bore live cartridges and bullets were also recovered from two of the hostels, Jamshoro and outside the premises. [Karachi DAWN in English 31 May 83 p 12]

JANG'S AD RESTRICTIONS LIFTED--The Government has lifted restrictions on the release of Government advertisements to Urdu daily "Jang", PPI reliably learnt on Monday. The decision in this regard it is understood was taken at a high level meeting in Islamabad on Sunday. [Karachi DAWN in English 31 May 83 p 12]

LOW-INCOME HOUSING DEVELOPMENT--Mr. S.A.N. Gardezi, Federal Secretary for Housing and Works, on Monday chaired a meeting of the housing group of the Planning Commission in the context of the 6th Five-Year Plan, and emphasised the need for a crash programme to develop low-income group housing in which the country was lagging behind. He also stressed the urgency for upgrading of Katchi Abadis. Secretaries and representatives of the four provinces listed the problems in land acquisition, non transfer of land under Katchi Abadis by federal agencies, high cost of services, lack of technical know-how and capital, and limited availability of loans for housing. [Karachi DAWN in English 1 Jun 83 p 3]

PETITION ON JOURNALIST'S BEHALF--Allama Syed Mohammad Razi, Adviser, Federal Shariat Court, has suggested that a writ petition on behalf of journalist Irshad Rao against his continued detention might be put up before the Federal Shariat Court. This was in response to a written query made by the detenu's wife, Mrs Talat Rao, whether it was proper from the Islamic point of view to keep under prolonged detention a "seriously ill" person and, that too, "without assigning the reasons of his detention". [Karachi DAWN in English 1 Jun 83 p 3]

DRY PORT FOR HYDERABAD--HYDERABAD, May 31--The Government is actively considering a proposal to establish a dry port in Hyderabad. This will be the third dry port in the country after Lahore and Peshawar. Reliable sources told Hyderabad representative of Radio Pakistan that the Collectorate of Customs is busy in finalising the feasibility report and working paper of the dry port in close consultation with Pakistan Railways, National Logistic Cell, Hyderabad Development Authority and Hyderabad Chamber of Commerce and Industry. According to the survey conducted to determine the feasibility of the project, goods worth \$s 3000 million were exported from Hyderabad region to various countries. The setting up of a dry Port in Hyderabad will be a revolutionary step to boost export oriented industries in the region. [Karachi DAWN in English 1 Jun 83 p 10]

FIRST HEAVY MACHINERY EXPORT--The first consignment of machinery and equipment for the Subang Sugar Mills, Indonesia, manufactured by the Heavy Mechanical Complex at Taxila was loaded on s.s Safina-i-Rehmat on Tuesday. With the export of the equipment Pakistan has entered the era of heavy machinery export for the first time after its establishment, says a HMC Press release. The contract for the supply of this plant of 3000-ton crushing capacity per day to Indonesia was signed at Jakarta on Jan 5, 1982. The full contract price is US dollars 27.56 million. The HMC would also provide technical services and its engineers are already working at the plant site. [Karachi DAWN in English 1 Jun 83 p 12]

SIND PLANS LIBRARY NETWORK--The Government of sind will provide a network of well stocked libraries with the active association of local councils throughout the province, a high-level meeting held under the chairmanship of Mr Justice Syed Ghous Ali Shah, Sind Minister for Education, decided yesterday. The meeting was also attended by the officers of the Federal Ministry of Education and members of the technical working group of library expertise. Syed Ghous Ali Shah, in his opening remarks, underlined the need for cultivating the

habit of reading among school children with special emphasis on making use of school libraries or any other libraries in the vicinity. Assuring the working group of the cooperation of civic bodies, Mayor Abdus Sattar Afghani said KMC would establish 125 libraries at panchayat committee level, during the next financial year. Dr Prof Anis Khurshid, Chairman of the technical working group of library expertise, presented a brief report about their visit to libraries in Sind and other provinces to study their main problems. [Karachi DAWN in English 1 Jun 83 p 12]

**SHARING KARACHI'S INCOME DEMANDED**--Khanum Gauhar Aijaz, a city councillor, has demanded that 20 per cent of the income generated from Karachi be given to the city for providing basic civic services to the citizens. Speaking at a reception in North Karachi Township, organised by Samaj Welfare Organisation, she said that almost two third population of Karachi was denied proper civic services like drinking water, sewerage, transport, electricity, gas, medical cover and educational facilities. Khanum Gauhar Aijaz said that it was high time for the authorities to realise that Karachi cannot be ignored any more. She said that it was the city which contributed 64 per cent of the tax income of the Federal Exchequer, generated 47 per cent of the industrial produce of the country, accommodated 35 per cent of the country's labour force and provided job opportunities to over 25 lakh surplus population of other provinces of the country. [Karachi DAWN in English 2 Jun 83 p 3]

**WAPDA PLANS RURAL ELECTRIFICATION**--MULTAN, June 1--WAPDA plans to electrify 15,000 villages in the country during the Sixth Five-Year Plan. According to WAPDA spokesman here, the number of electricity consumers is now over 38 lakh. The consumption of power in domestic and agricultural sectors has recorded a steep rise during the last five years. In industrial sector alone the annual average power consumption has increased at the rate of about 16 per cent. He said presently WAPDA is providing power to 1.20 lakh industrial units and 1.15 lakh tubewells in the country. He added that WAPDA has provided electricity to 15,000 villages in country, while it has plans to electrify more than 15,000 villages during the next Plan period. He said that the first phase of Chashma Right Bank Canal is expected to be completed by the end of financial year of 1983-84. He said that WAPDA is giving full attention towards eliminating salinity and water logging in the country. [Excerpt] [Karachi DAWN in English 2 Jun 83 p 9]

**GHAFFAR, WALI CRITICIZED**--PESHAWAR, June 1--Syed Manzoor Hussain, Secretary-General Therik-i-Islam, NWFP, has alleged Ghaffar Khan and his son, Khan Abdul Wali Khan, of coming out on a dangerous campaign. Unnerved by clear failure in their vested designs, they have started levelling baseless allegations against defunct Jamaat-e-Islami and were sometime even abusing Pukhtoons. Syed Manzoor Hussain said 'they had always crores of rupees in lieu, bargained against the interests of Pakhtoons and were still pretending to be the champions of Pakhtoons rights. [Karachi DAWN in English 2 Jun 83 p 11]

**LAWYERS' STRUGGLE SUPPORTED**--MULTAN, June 1--General Secretary of defunct Pakistan Muslim League, (Khwaja Khairuddin group), Malik Mohammad Qasim, said that the MRD supported the struggle launched by lawyers for restoration of democracy. During a talk with lawyers at Sahiwal he said the defunct Muslim

League which had created Pakistan would continue to support every democratic step in larger interest of the survival of the country. The defunct Muslim League was busy with its efforts to save Pakistan, he added. He appealed to all parties outside the MRD to support it for the restoration of democracy. [Karachi DAWN in English 2 Jun 83 p 11]

JUI LEADER CRITICIZED--PESHAWAR, June 1--Nasrullah Jan a member of Central Majlis-i-Shoora of defunct Jamiat Ulema-i-Islam, has expressed profound astonishment over the attitude of Maulana Fazalur Rehman, a prominent party leader and son of late Mufti Mahmud that he was "playing in the hands of defunct PPP". He had turned to total failure the reconciliatory efforts for reunification of the two factions within the party and thus had been exposed for this inability of facing the General Council of the party. In a Press statement here on Monday, Nasrullah Jan, said the secret behind disloyalty towards their party fellows flattering statements in favour of People's Party issuing, "fatwas" against the right of the present government to impose Ushr and Zakat, which was affecting most of the PPP waderas, would soon be disclosed to the people. [Karachi DAWN in English 2 Jun 83 p 11]

INSURANCE FOR EXAMINATION SUPERVISORS--LAHORE, June 1--The committee of chairmen, Punjab Education Boards, has decided to get properly insured all the superintendents of examination centres with effect from the autumn examinations this year with a view to providing them security to enable them to perform their duties with efficiency and peace of mind. The decision was made at a Committee meeting held in the office of the Chairman, Board of Intermediate and Secondary Education, Gujranwala, on Tuesday. The meeting also decided to request the State Life Insurance Corporation to prepare a scheme of their collective insurance on the pattern of group insurance scheme, already prevalent in other Government organisations. This decision has been taken in view of the constant threats of life which the superintendents have to face almost every day during the conduct of various examinations. [Excerpt] [Karachi DAWN in English 2 Jun 83 p 11]

REFUGEE FACILITIES IN BALUCHISTAN--QUETTA, June 2--The Government of Pakistan is trying to provide every possible facility to the Afghan refugees in Baluchistan in the field of health and education. For giving them maximum health coverage, an allocation of about Rs 25 million has been made during the current fiscal year. An amount of Rs 6 million has been earmarked for providing medicines to the refugees in their camps. At present 40 dispensaries are working for the Afghan refugees in Baluchistan. Nearly 6000 out-door patients are being treated in these dispensaries daily. Each dispensary is being supervised by a medical officer, and other required staff. Under EPI vaccination programme, about 20,000 refugee children have been vaccinated as precaution against the infectious diseases. To control malaria and TB, a campaign has been launched in the refugee camps at Pishin, Gulistan, Muslim Bagh and Dalbandin. [Karachi DAWN in English 3 Jun 83 p 9]

MRD'S MOVE OPPOSED--Sahabzada Pir Syed Baqar Ali Shah Gilani, Chief Organiser defunct Pakistan Muslim League has, in a statement, deplored the reported move of the Movement for the Restoration of Democracy (MRD) to launch a 'civil disobedience movement' for 'restoration of democracy in Pakistan'. He said

defunct PML would not be a party to any such move which might threaten the very existence of the country. [Karachi DAWN in English 3 Jun 83 p 14]

MAZARI CRITICIZED FOR STATEMENT--LAHORE, June 2--Secretary-General, Tehrik-i-Islami, Punjab, Choudhry Mahmood Ahmed, has said that regrets expressed by Sherbaz Mazari, over the refusal of defunct Jamaat-i-Islami to participate in MRD civil disobedience movement were misplaced. In his statement here on Wednesday he said it was even doubtful whether MRD was launching the movement for the restoration of democracy, or bringing defunct PPP into power again through a conspiracy. If it meant to bring PPP into power it would be like restoring the dictatorship. In this case, no sensible Pakistani would like to participate in it. [Karachi DAWN in English 3 Jun 83 p 22]

RESTRICTIONS ON STUDENT UNIONS--Lahore,--It has been reported that during a meeting of the 19-member educational institutions committee the university vice chancellors all over the country recommended that restrictions be imposed on student unions. In compensation, a program for increasing extracurricular activities for students has been devised. At an earlier session the committee had deferred discussion on this subject. It has been also revealed that the recommendations for restricting student unions will be placed before the provincial cabinets, which will make a final recommendation to the central government regarding imposition of restrictions on student unions. [By staff reporter Parvez Bashir] [Text] [GF191202 Lahore JANG in Urdu 14 Jun 83 p 1]

CSO: 4656/195

DIFFERING VIEWS EXPRESSED ON ELECTIONS

Trade Minister's Comments

Colombo THE ISLAND in English 20 May 83 p 1

[Article by Richard de Silva]

[Text]

Mr. Lalith Athulathmudali, Minister of Trade and Shipping, said yesterday that the results of the by-elections and the Local Government elections had consolidated the victories of the government at the Presidential election and the Referendum.

Analysing the results of the

by-elections and the Local Government elections, the Minister said the main issue of the Opposition at the by-election was the demand for a general election this year, but by the results one could see that the people had rejected that demand in no uncertain terms. If the government had held a general election, it

would have been won by a vast majority. He said the government always valued the right of vote and safeguarded democracy.

The fact that certain Independent groups had won in some Local Government areas was owing to peculiar conditions that prevailed there, he added.

Deputy Leader of SLFP

Colombo THE ISLAND in English 20 May 83 p 1

[Text]

Mr. T.B. Ilangaratne, Deputy Leader of the SLFP, said: "It was a civil war and not an election. The voters had to put up with not only the government's false propaganda but also thuggery and abuse of the state machinery by the UNP." Paying a tribute to the courage and determination of the voters, Mr. Ilangaratne said the ability of the SLFP to poll such a large number of votes under trying circumstances was a demonstration of the people's faith in it.

The Police were rendered helpless by the pressure of powerful ministers when thuggery had been used before their very eyes. However, he would not blame the Police.

He said he had informed President J.R. Jayewardene of the dangerous situation prevailing at Mahara and of the killing of an SLFP supporter there.

The President had assured him (Mr. Ilangaratne) that Air Force personnel would be deployed there to assist the Police, but by then so many

ugly incidents of unbridled thuggery had occurred.

Mr. Ilangaratne said that when the LSFP polling agents were taken in for questioning by the Police on false complaints by UNP supporters, mass impersonations had taken place. Even duplicates of poll cards were used to help impersonators.

He appealed to the President not to allow these type of incidents to happen as the people would loose faith in elections and choose other undemocratic ways.

## MEP Leader's Views

Colombo THE ISLAND in English 20 May 83 p 1

[Text]

Mr. Dinesh Gunewardene, Leader of the M.E.P, said that public opinion, which was strongly reflected in the by-election campaigns against the policies of the government, was not allowed to be freely manifested because the UNP continued to adopt anti-democratic tactics and used

the entire state machinery against the entire Opposition, particularly the progressive and patriotic forces.

He said despite the pressure and thuggery against the Opposition forces, the people had confidently and courageously expressed their

determination to face the challenges thrown by the UNP government.

He added that disunity among the progressive forces had once again given the edge for the reactionaries to be arithmatically victorious.

CSO: 4600/667

ELECTION RESULTS, IMPLICATIONS DISCUSSED

Colombo THE ISLAND in English 20 May 83 p 6

[Editorial]

[Text]

Exit the campaigners. Enter the pundits. For quite a few days more we will be treated to a plethora of theories and explanations about the nature of the by-election results which will range from the ingenious to the plain comic, from exultant triumphalism to exercises in casuistry designed to discover reasons from defeat.

The by-elections were expected to be a pointer to the mass mood particularly because the bulk of them were held in the South where normally political awareness is high and because the majority of electorates going to the polls were rural or semi-rural constituencies. Thus it was an occasion to test the Government's popularity in the countryside.

On this score the Government has every reason to be happy about its performance because in areas ranging from towns like Devinuwara to villages like Hakmana, and geographically from the South to the Gaboragamuwa province (Eheliyagoda) the UNP has been able to maintain its hold on the electorate. Whatever the Government's detractors might say, its writ obviously runs deep into the countryside and after six years in power the UNP hierarchy will no doubt be justifiably happy about this development.

The second feature of the by-elections is that the Sri Lanka Freedom Party is still the alternative political party to the UNP outside the Northern and Eastern provinces. The Communist party, the Janatha Vimukthi Peramuna and the Nava Sama Samaja Party, which all contested the by-elections, couldn't capture a single seat, while the victory of Dinesh Gunawardena at Maharagama (he becomes the only



MEP member to enter Parliament since 1970 when his father lost his Avissawella seat) is a tribute to his political commitment and rigorous campaigning and the memory of his father which still inspires the progressive movement. The by-election defeats will be particularly galling to the JVP, which since 1977 has been bragging that they are the most potent Left party in Sri Lanka, and the Communist Party, which in recent months has tried to rally the anti-UNP forces under a single banner.

In some measure at least the Opposition paid the price of its own divisiveness because in electorates where the JVP contested and Kalutara where the LSSP was able to poll 6,013 votes, the UNP obviously benefited from Left disunity. While the LSSP's last minute decision to run at Kalutara had a predictable result, for former LSSP Mr. Anil Moonesinghe it must be sweet delight indeed to see that his apostasy has had such a happy ending. The by-elections also witnessed the collapse of one time powerful independents like Prins Gunasekera signalling perhaps the final eclipse of the maverick from the arena of Parliament.

It is regrettable that there should have been a fresh eruption of the charges of impersonation and intimidation which the Opposition had first levelled against the Government at the Referendum. It must be realised that the whole exercise of elections will be fruitless if the slightest suspicion of impropriety is allowed to taint it.

For both the Government and the Opposition, the by-elections will come as a salutary eye-opener. While the Government must take note of the silent majority in the countryside, the Opposition must realise the folly of its internecine squabbling which left several electorates wide open for UNP penetration.

In the north the success achieved by terrorists in ensuring a low poll will be an ominous precursor of future political developments. But for better or for worse the country is set on a course which will have far reaching results for the future and the present by-elections will be an important watershed for both Government and Opposition in this respect.

HUMAN RIGHTS REPORT, ISSUES DISCUSSED

Colombo THE ISLAND in English 14 May 83 p 6

[Editorial]

[Text]

SRI LANKA'S guardians of human rights will no doubt be delighted that the Civil Rights Movement and the Movement for Inter-racial Justice and Equality (MIRJE) are among the organisations cited with approval by the 1982 country report on human rights practices in Sri Lanka issued by the State Department on which our lead story was based yesterday. However much our home-grown radicals and left-wing intellectuals might scorn the "rapacious west," in the celebrated phrase of a former Prime Minister, approval by the west still delights a part of our neo-colonial split personality so that the hosannas of the State Department would have sounded sweet indeed to the local votaries of civil liberties. It is a moot point of course whether they will concur with the report's final judgement for it had found that in spite of tensions among ethnic groups Sri Lanka had maintained its adherence to democracy.

The Government is no doubt faced with an unenviable dilemma because it is the unprecedented resurgence of violence in the north which has prompted it to take drastic measures such as the promulgation of the Prevention of Terrorism Act. Today the PTA has become the subject of wide ranging debate but the fact remains that it was an ordinary measure meant to cope with an extraordinary situation.

Any objective analyst will appreciate it is actually a vicious cycle within which both parties are trapped. Terrorism gives rise to counter-terrorism which in turn aggravates the original terroristic inclinations and breeds hatred and bitterness among its victims. Only a political solution can break this vicious cycle and set

free both groups who are at one and the same time both perpetrators and victims of violence.

While the Government can be happy about the US State Department's findings about Sri Lanka there can obviously be no room for complacency. The Government will do well to act cautiously for hasty actions can only precipitate a greater crisis.

In fact the Government shows a salutary realisation of the gravity of the unfolding state of affairs for as the Prime Minister has rightly said several times after his return from abroad there would be unprecedented bloodshed if the Government seeks to emulate what the previous Government did in 1971.

This shows that the Government is aware that the problem of terrorism has to be separated from the larger problems of the Tamil people.

While being justly happy about its record so far the Government must ensure that those who are taken into custody under the PTA are not subjected to undue harassment and torture.

Even the country report has said that "such brutality as they occur in Sri Lankan detention centres is reported to be generally directed against persons who have neither been formally charged nor given a sentence; it is an act of 'interrogation' rather than a conscious Government policy."

For those who will be tempted to cite this as an instance of torture and violence directed towards a particular community, it has to be pointed out that this form of interrogation is of islandwide application to all communities. It is an unfortunate police tradition that has come down from colonial times.

The fact that a person has not been formally charged is no invitation to torture and is tantamount to legitimising third degree methods.

The Government's record of civil rights maintenance will gain greater depth if it ensures that while combatting terrorism it sees that those who are arrested are not unduly harassed and that they are accessible to their kith and kin and lawyers.

BORROWING SAID TO HAVE REACHED STAGGERING LIMITS

Colombo SUN in English 21 May 83 p 1

[Article by Winston de Valliere]

[Text] Sri Lanka will have no option but to borrow a staggering four billion dollars under current projections to sustain the development effort over the next five years, an analysis of the public investment programme 1983/87 indicates.

An average of 60 per cent, of this minimum figure, is expected to be on concessionary terms. However, the dismal picture that emerges is that the country would progressively be called upon to bear a debt servicing burden of over Rs 15 billion in 1988 alone on the projected minimum borrowings expected to be made.

This would cover only amortisation and interest payments on foreign debts which are expected to taper off after 1988 in the wake of the government's decision to introduce a phased out programme to shift 50 per cent of the public investment burden over to the private sector.

The bulk of the debt commitments, expected to reach its zenith in the mid 1980s, is the consequence of commercial loans taken by the central government, public corporations and Airlanka. The latter two are, however, expected to recycle sufficient profits to meet their respective debt servicing commitments.

Besides its normal sources including IMF, Aid Group, and World Bank the government will also have no alternative but to resort to borrowing from the international commercial banking sector to cover shortfalls in the anticipated billion dollar commitment.

However, under the government's priority policies and the package of fiscal and other economic policies to be introduced, the private sector would, while burdening itself with more than 50 per cent of the public investment programme beyond 1987 still not be shouldering any fraction of the public debt. The private sector is expected to devise ways and means of harnessing local capital resources through the creation of a dynamic capital market in Sri Lanka over the next six years to make its contribution to the national development effort.

While the continued inflow of foreign resources is indispensable for a satisfactory medium term growth of the economy, the need for critical imports related to investments and consumption would, however, continue to plague Sri Lanka's balance of payments problems.

CSO: 4600/667

# COUNTRY'S INVESTMENT PROMOTION PRAISED

Colombo SUN in English 18 May 83 p 1

[Article by Jennifer Henricus]

[Text]

An international business expert said yesterday Sri Lanka offered great opportunities to multi-nationals seeking to invest here, and its investment promotion strategy stood out as an excellent example to even countries like Indonesia and Brazil.

Dr. Theodore Moran, an expert in international business, trade and business diplomacy of the Foreign Services School in Georgetown University of the United States, told 'SUN' yesterday he was confident that Sri Lanka had every chance of attracting the multinationals for profitable ventures.

The important thing, however, was to develop the necessary bargaining and negotiating skills so that the best possible terms were reached, he said.

Dr. Moran is in Sri Lanka specifically for this purpose—to teach government officials and private sector entrepreneurs the finer points of working out successful deals. He is doing it through a series of seminars. The first of these was held yesterday.

Speaking on trade, commerce and penetration of international markets, Dr. Moran condemned the protectionist and restrictive barriers that were growing higher in the developed countries, stagnating world trade and resulting in severe global recession.

Speaking on the utilisation of the resource base in Sri Lanka to increase industrialisation of the country, Dr. Moran said it would be very useful for entrepreneurs to work out

alliances with large foreign retailers of products.

For instance, tea could be marketed more profitably by tying up with major retailers abroad, he said.

In an interesting and illuminating discussion that followed between Dr. Moran and the senior officials and private sector big wigs present in the limited audience, the constraints confronting investment and expansion were aired frankly, with useful contributions on how to improve the situation.

While former Central Bank Governor N. U. Jayawardena endorsed the view that processing local resource bases before exporting was very important, GCEC Director General Paul Perera said it was not possible to have value added industries for tea in the Free Trade Zone.

Mr. Perera hinted that this policy of allowing only some industries in the FTZ was having an adverse effect on investment and added that there was a move to change this policy.

Several public sector corporations too came in for criticism as being responsible for strangling investment opportunities. Head of the Foreign Investment Advisory Committee, Wilfred Nanayakkara said that although most corporations were theoretically open to private sector participation, none of them was keen to put it into practice.

This was an area that needed immediate attention, he said.

IDA LOAN APPROVED

Colombo THE ISLAND in English 17 May 83 p 2

[Text]

The International Development Association (IDA) is providing the government an interest-free credit of 21.4 million SDR (23 million US Dollars) for the Rs.717.6 million (31.2 million dollar) development project of Vavuniya and Mannar districts.

The government was informed of this by the World Bank yesterday.

The IDA credit is repayable over a 50-year period including 10 years of grace and it carries no interest but a small annual service charge of 0.5 per cent on the undisbursed balances of the credit and 0.75 per cent on disbursed balances.

Under this Vavuniya and Mannar development projects, the government will strengthen agricultural production bases in the two districts.

The project will rehabilitate some 70 irrigation systems, install about 15 tubewells and improve water management practices; establish a fisheries service centre in Mannar; provide agricultural credit to smallholders for the construction of wells and purchase of farm animals and

equipment; and improve the availability and distribution of agricultural inputs; the project will also include forestry development on about 1,400 hectares of degraded and marginal lands and horticulture development on about 100 hectares. These investments will be complemented with measures to rehabilitate and strengthen the economic and social infrastructure in the two districts.

The project will provide electricity to 23 villages; improve health care and education services and construct 100 community wells; Funds will also be provided for an evaluation of the project's impact.

Since beginning operations in Sri Lanka, the World Bank has provided nine bank loans totalling dollar 115.6 million and 33 IDA Credits totalling dollars 618.4 million.. About 50 per cent of the assistance has been for the agricultural sector. World Bank support for Sri Lanka is aimed at increasing food production and reducing dependence on food imports by raising productivity, employment and the incomes of the rural population.

CSO: 4600/665

SRI LANKA

MAJOR GARMENT EXPORT AGREEMENT WITH U.S. NEGOTIATED

Colombo SUN in English 21 May 83 p 1

[Article by Jennifer Henricus]

[Text] Sri Lanka has successfully negotiated a larger export quota in the controversial Multi-fibre Agreement with the United States agreeing to permit a six per cent annual growth rate on the export of garments from here over the next five years.

The agreement which was signed in Colombo last Tuesday will cover the period from 1983 to 1988.

The new agreement includes 17 items of wearing apparel and was negotiated both in Washington and Colombo. In Washington discussions were held with the US Trade Representative Anne Barry, by Trade Ministry Secretary Lakshman de Mel.

According to diplomatic sources the agreement was "definitely a good deal" for Lanka.

The US domestic producers, it is learnt, insisted that the growth rate of exporting countries should not be permitted above two per cent, which is the targeted growth rate.

Sri Lanka asked for a growth rate of between seven and eight percent.

However, after long drawn out negotiations it was decided that a six per cent growth rate of exports to the United States be permitted. This concessionary rate was made possible because of a decision to introduce stricter quotas on the big suppliers including Hong Kong, Korea, Taiwan and China.

These restrictions made it possible for the US to increase quotas to medium suppliers, the sources said.

The countries that were extended this concession are Lanka, Malaysia, India, Singapore, Philippines, Pakistan and Egypt, while the small suppliers--Seychelles and Maldives--will be permitted a seven per cent growth rate.



At present Sri Lanka is the tenth largest garment exporter to the US. .

In 1982 the export of garments to the United States from Lanka grew by 21 per cent in rupee terms recording an earning of 2.1 billion rupees.

The export earning from garments to the US in 1980 was Rs. 968 million, in 1981 Rs. 1,751 million and in 1982 Rs. 2,116 million.

CSO: 4600/667

IRAQ'S WITHDRAWAL FROM TEA AUCTION THREATENS INDUSTRY

Colombo SUN in English 17 May 83 p 1

[Article by Jennifer Henricus]

[Text] The withdrawal of Iraq--Sri Lanka's third largest buyer--from the Colombo tea auctions has caused ripples of concern in several quarters.

Iraq, which bought heavily at the auctions until three weeks ago, has withdrawn due to severe balance of payments problems and because it has found that the balance of trade between the two countries is heavily in Sri Lanka's favour, SUN learns.

Due to those factors, the Iraqi Government has requested Sri Lanka to grant it an extended line of credit and to purchase oil from Iraq, SUN learns.

The growing concern over the withdrawal of the Iraqi buyer at the auctions, who was responsible for the high prices fetched during the first quarter of the year, is underlined by the serious view taken by the Trade Ministry.

It is learnt that the Trade Ministry has asked the Ceylon Petroleum Corporation to see if it could make purchases of oil from Iraq on an urgent basis.

However, several practical difficulties will not make the purchase possible right away. CPC Deputy Chairman Gamini Marapone told SUN that although the corporation was looking into the possibility of working out purchases from Iraq, the bombing of Basra port had ruled out the possibility of shipping oil from there. [as published]

Leading members of the tea trade were of the view that the absence of the Iraqi buyer at the auctions would not have an immediate impact on the country's tea market, chiefly because the quantities on offer at the auctions were very small as a result of the long drought.

However, they feared that continued absence of Iraq could depress prices and affect marketing.

The Iraqis on their part, are keen to buy from Sri Lanka, it is learnt, but are anxious that at least part of the trade deficit between the two

countries is reduced so that they could tide over their current liquidity problems.

It is learnt that if they fail to reach a suitable arrangement with the Sri Lanka Government, Iraq may buy tea from India.

CSO: 4600/666

## TASK FORCE ON INCREASING REVENUES TO SUBMIT PROPOSALS SOON

Colombo SUN in English 16 May 83 pp 1, 3

[Article by Winston de Valliere]

[Text]

A task force appointed to launch a concerted development thrust in tourism, insurance, sea and air ports and the international labour market is expected to submit its proposals soon.

This task force was set up in an urgent bid to help government bridge its budgetary revenue gaps estimated to reach Rs. 38 billion by 1987.

The committee under Deputy Finance Minister M. H. M. Naina Marikar has along with sub-committees reportedly come up with challenging proposals to increase revenue from these 'invisible' revenue earning areas. It has simultaneously identified some areas of activity within each sector which have been detrimental to overall national interests.

The intensive study made by the sub-committees is being compiled into a package deal for Finance Ministry approval, Ministry officials said.

The committee is proposing new services and enhanced charges in sea and air ports for international sailings and flights. It is to call for the introduction of new insurance policies covering education, marriage, property and other areas which have not been covered by insurance and the introduction of international insurance schemes on the basis of schemes implemented by firms such as Lloyds of London.

New services in stevedoring, ship chandling containerisation and other transshipment cargo services (air and sea) and an international diplomatic effort to enter into labour accords in

all categories of labour including specialist services such as engineering, law, medicine etc., are also being proposed.

The task force comprises State Ministry Secretary Douglas Liyanage, State Ministry Additional Secretary G. Kumaranatunga, Labour Commissioner G. Weerakoon and Central Bank Research chief Aelian Fernando.

Four sub-committees under these officials are expected to submit their individual reports to the Deputy Minister Naina Marikar by the end of this month.

State Ministry Secretary Douglas Liyanage told 'SUN' he had been looking at the overall national benefits through the entire gamut of areas within the scope of the tourist industry as against sectoral benefits. It had been disclosed in the process of his evaluations of the industry that certain sectors within the industry were not directly beneficial to the national economy although they stood as marginally profitable ventures within their scope of operations.

Meanwhile, he has also identified several areas in the industry which had maximum development potential to help the country solve not only its balance of payments problems but also to provide additional employment and earnings which could be channelled into the state coffers.

One of the biggest areas with large potential for foreign exchange earnings was the development of Sri Lanka as an international conference centre, he said.

The field of insurance includes new forms of insurance policies including educational insurance, investment insurance, ocean freight and air freight insurance, overseas investment insurance, insurance of new areas of foreign investment in Sri Lanka, marriage property insurance and several others.

The Labour Commissioner would be meanwhile submitting his study on the potential for increased earnings from overseas employment opportunities which would now be looking further afield instead of being restricted to West Asian markets.

Central Bank sources said this field offered opportunities

for the government to enter into preferential labour accords with countries in the continent and the other western countries where there was maximum potential for employment of Sri Lankans specialised in engineering, medicine, law, education and other fields.

Tax free opportunities attached to repatriation of profits and preferential treatment being given to such earnings being invested in the economy of Sri Lanka right throughout the period of investment are possible areas which are being thought out currently, the sources said.

The labour market, according to statistics from the Central Bank received on Friday indicated remittances from Sri Lankans employed abroad had

now topped the staggering height of Rs. 5000 million threatening to outstrip the gross earnings of a couple of major exports put together in a few years.

In view of the fact that these Sri Lankans in addition to propping up the economy were also meanwhile not an economic burden to the country might also well be a factor that would be considered for giving them more preferential treatment in the future the sources said. It is expected that some Sri Lanka Aid Group countries would also be requested to afford specialised Sri Lankans some favourable employment opportunities to help Sri Lanka develop its invisible exports further.

CSO: 4600/665

## AID FOR CERAMICS INDUSTRY APPROVED

Colombo THE ISLAND in English 19 May 83 p 2

[Text]

Sri Lanka's ceramics industry got a big boost with UNIDO's approval of a million dollar technical assistance project (about Rs. 23 million) to be implemented by the Ceylon Ceramics Corporation. This project is funded by the United Nations Industrial Development Fund (UNIDF) and its basic objective is to make full use of indigenous raw materials and improve quality by developing appropriate technologies thereby enhancing the industry's foreign earnings.

Chairman John Sebastian of Ceylon Ceramics Corporation revealed that the project will come up with an inventory of raw material resources, its uses and abundance together with manufacturing specifications and methods to upgrade current products and develop new projects. UNIDO will provide the necessary expertise in the operation of the research laboratory to be established by the project, procure the laboratory equipment for the research laboratory and train Sri Lankan staff. Within the 2-year period, the Corporation will contribute a sizeable amount to finance all the counterpart requirements for technical and

administrative personnel as well as infrastructural support.

Chairman Sebastian also emphasized that the project will prepare working drawings and design of improved tools and equipment together with a formulary of standard glazes and colours for use by local manufacturers and alternative sources of energy based on agricultural wastes and solar energy will be evaluated for possible use in the industry. Technical feasibility studies will also be conducted on new ceramics industries which could be established in Sri Lanka. Finally, Mr. Sebastian said that under this project, the training of Sri Lankan specialist here in Sri Lanka and abroad would strengthen the national capability to further develop the ceramics industry and benefit the cement, electronics and chemical industries.

UNIDO's Senior Adviser to Sri Lanka and Maldives Vic Lavidès, said that UNIDO's technical assistance to the Ceramics Corporation is in support of governments policy to increase the country's foreign exchange earnings through the development of appropriate technology in the utilization of locally available

raw materials. He expressed confidence that with the Corporation's interest in developing the industry and its full support and cooperation in this particular project, the country could look forward to ceramics industry as one of the major pillars in Sri Lanka's industrialization programme. Mr. Lavidès explained that the UNIDF was established by the United Nations General Assembly in December 1976 with the aim of increasing the resources of UNIDO and enhancing its ability to meet the needs of developing countries. This fund supplements the assistance provided by UNDP resources to developing countries in the industrial field.

Contributions to the fund are on voluntary basis and may be accepted from Governments, inter-governmental and non-governmental organizations and other non-governmental sources. The programme of the Fund also includes projects for implementation in a sub-region or region, or even inter-regionally. Finally, Mr. Lavidès indicated that industries processing natural resources including export oriented industries have been assisted by the Fund. (UNIC)

CSO: 4600/666

CITIZENS IN NORTH GIVEN WEAPONS FOR SELF-DEFENSE

Colombo SUN in English 14 May 83 p 1

[Text]

A group of northern residents whose lives have allegedly been threatened by terrorists were issued weapons by the Police to defend themselves.

The selected people were trained to handle arms and allowed to practice at the Gurnagar army pistol range before they were given the automatic small calibre pistols, sources revealed last morning.

Re-arming selected civilians in the peninsula was one of the decisions taken by the National Security Council at a special meeting held last Friday, after the shooting of three UNP supporters by northern terrorists.

Earlier all registered weapons in civilian hands in the Jaffna and Vavuniya districts were withdrawn following the eruption of ethnic violence in 1977, when groups of youths launched a weapons collection drive, robbing farmers and other residents.

However, defence analysts have now noted that this has led to roving bands of robbers entering houses without fear, secure in the knowledge that there will be no armed opposition.

This situation, sources revealed, yesterday has now become so serious that in Jaffna district alone, the crime rate had risen to 70 per cent in

1982, when compared to other districts.

An official of the Defence Ministry said the programme to rearm selected civilians in the peninsula will continue till such time as the government and residents of Jaffna feel that there is no danger of terrorists harming them.

He told 'SUN' that some of the other decisions taken by the National Security Council regarding the new anti-terrorist programme had already been implemented.

The 500-strong police paramilitary force, has already begun their training at the Ampara Central Camp and at the Kalutara Police Training School, he said.

CSO: 4600/665

ADVISORY BODY FOR COMPUTER POLICY FORMED

Colombo SUN in English 14 May 83 p 1

[Article by Jennifer Henricus]

[Text]

The setting up of a National Computer Policy Advisory Council (COMPAC) and a Central Computer Secretariat (CECSEC) are highlights of recommendations by a committee appointed to spell out a national computer policy for Sri Lanka.

Pointing out that the Advisory Council should function under President J. R. Jayewardene, the committee has said that by investing in computer technology Sri Lanka can exploit fully its comparative advantage, to become a South Asian regional centre for finance and trade.

These policy recommendations are contained in the report on a "National computer policy for Sri Lanka" compiled by a special working committee of the Natural Resources Energy and Science Authority, on the direction of President Jayewardene.

In its recommendations the committee which was chaired by Dr. Mohan Munasinghe, senior energy advisor to the President has besides, COMPAC and CECSEC, called for the creation of permanent committees of COMPAC on computer education, computer applications in the public sector, telecommunications and data transmission — to advise on and promote activities in these areas.

The universities should be developed into centres of excellence with the establishment of channels of communication with the computer society of Sri Lanka and other private special interest groups and companies.

In its policy guidelines the committee has said that efforts should be made to make the country as self-reliant as possible in computer skills, with a sound indigenous capability to evaluate and acquire foreign computer technology when necessary, and also go into the export of computer services.

It has also recommended that the government give high priority to improving infrastructural facilities that are essential for developing computer use in Sri Lanka including, local and overseas telecommunication services and electricity supply, with an adequate legal environment which recognises the role of computers as well as its impact on society.

The committee has also recommended that government should take immediate steps to improve computer related skills.



and promote their application as widely as possible, especially in areas of scientific analysis, higher education, industry, business and financial management and schools.

Efforts should be made as soon as possible to ensure adequate financial incentives and job satisfaction, in order to attract and retain the services of computer personnel in Sri Lanka.

The objectives of the national policy are to —

- \* Improve the quality of life of the people of Sri Lanka including job satisfaction and working conditions of employees.

- \* Increase the flexibility and dynamism of Sri Lankan society to enable it to successfully meet the challenges of the future arising from the ever-increasing pace of worldwide scientific and technological advances.

- \* Harness computer technology in all its aspects to further the socio-economic development of the nation.

The report of the committee was presented to President Jayewardene last week.

CSO: 4600/665

SHELTER OPENED FOR EELAM REFUGEES IN CANADA

Colombo THE ISLAND in English 17 May 83 p 3

[Article by Cyril Wimalasurendre]

[Text]

An emergency shelter for no-status refugees among whom are a large number of Sri Lankan Tamils has been opened in Montreal, Canada, according to the Montreal leading daily newspaper 'The Gazette'.

The Gazette of April 12, in a news item headlined "No-status refugees get shelter", said that the shelter which could house hundreds of refugees was the first of its kind in Canada. The shelter, which is sponsored by Roman Catholic Archbishop, Paul Gregoire, is supported by public funds organised by a Montreal coalition of aid groups assisting the refugees.

Sister Louise Begin, a representative of a Montreal coalition of aid groups told "The Gazette", referring to the federal Immigration Department's decision last October to cut off welfare funds to no-status refugees, that it was a scandal for Canada's, international reputation. "If we were to depend on the government" she said "street cleaners would soon be picking up the bodies of refugees who died of hunger".

The news item said that there were about 1000 no-status refugees in Montreal. The archdiocese of Montreal will pay the

rent for the shelter but organisers hope to collect money, clothes and furniture from the general public.

Once a senior citizen's residence operated by a group of nuns, the building has 75 bedrooms with bathroom facilities, meeting rooms, kitchens and classrooms.

Rev. Robert Beaupre, director of the coalition of aid groups has told 'The Gazette' that he hopes the federal government will fund job projects for the no-status refugees.

The news item, however, said the opening of the shelter would come as a surprise to federal and provincial government officials. A last appeal to Prime Minister Pierre Trudeau and Premier Rene Levesque of Quebec had received no response, the news item noted, though the coalition had inored them that some refugees had gone hungry for several days.

The news item in 'The Gazette' carries a large photograph of the

Sri Lankan refugee, Ratnam Mahadevan, moving into the new shelter carrying a mattress on his shoulder.

## FOREIGNERS TO BE ALLOWED TO WORK ONLY IF 'VITALLY ESSENTIAL'

Colombo THE ISLAND in English 20 May 83 pp 1, 2

[Article by B. C. Perera]

[Text] The Cabinet yesterday decided that foreigners would be permitted to work in Sri Lanka only if their services were absolutely necessary. This decision was taken on a recommendation of the Minister of State Mr. Anandatissa de Alwis. A special monitoring unit is to be set up for the purpose.

Mr. de Alwis had pointed out that the presence of many expatriates resulted in many highly qualified Sri Lankans being denied opportunities of employment.

At yesterday's Cabinet briefing presided over by the President Mr. J. R. Jayewardene, Mr. de Alwis reported that there was a great need to monitor the functioning of projects approved by various agencies of Government such as the Tourist Board, Foreign Investment Advisory Committee, Greater Colombo Economic Commission, etc. The Minister of Finance and Planning Mr. Ronnie de Mel agreed with Mr. de Alwis that there was a need to monitor projects.

He reported that there was no mechanism to keep track of what happened after projects were approved by various governmental bodies. They did not have follow up mechanism and make sure that the promised foreign exchange did come to Sri Lanka.

Entrepreneurs were operating in big numbers at various levels, imports of materials were not checked for prices, quality or sources and it was possible for dishonest foreign as well as local

entrepreneurs to siphon out money by overloading invoices.

He asked for far stricter control over the employment of expatriates than at present. He knew of a project where twenty nationals of an Asian country were employed here as masons and plumbers for which there was absolutely no dearth of local talent. He also pointed out that some projects denied well-paid jobs to Sri Lankans. There were mechanics, plumbers, painters, carpenters, polishers and electricians of a neighbouring country in a hotel property development project in Colombo.

He cautioned that monitoring of projects would not be as easy as it looked. Accountants with special skills were needed to detect seemingly innocent terms under cover of which malpractices could be committed. The Cabinet decided to form a Monitoring Unit comprising high level officials with special skills to be attached to the FIAC or the Cabinet sub-Committee on Economic Affairs to be responsible for keeping under surveillance all approved development projects.

Other Cabinet recommendations: \* On a recommendation made by President Jayewardene himself, the Cabinet decided to set up a National Computer Policy Council under a special Act of Parliament. The President emphasised the need for such a body and law to lead the country to the age of computers. The

scope of the council's duties would be made wide ranging and would go to meet the needs of the country. \* The Minister of Education Mr. Ranil Wickremasinghe received Cabinet approval to create two new posts of Deputy Directors General of Education and appoint to those places Dr. (Mrs) T. Kariyawasam and Mrs. H. Jayasinghe. \* The recommendation by the Minister of Finance and Planning Mr. Ronnie de Mel under which Sri Lanka would receive from the IDA to meet part of the cost of the Rural Development Project covering Mannar and Vavuniya. \* The Minister of Industries and Scientific Affairs Mr. Cyril Mathew was given Cabinet OK to increase the production of the caustic soda chlorine plant from 10 tons to 12 tons a day and to increase its capital from Rs. 147 million to Rs. 150 million and to form into a public company with the participation of the three corporations, the Paranthan Chemicals Corporation, Salt Corporation and the National Paper Corporation. \* Mr. Mathew was also given the Cabinet green light to go ahead with the expansion and modernisation of the Leather Products Corporation. The products of this corporation such as shoes have come in for high international commendation. \* The Minister of Transport Mr. M. H. Mohamed was given approval for the draft of a law to regulate and control private bus transport services.

# THREAT OF INDIAN INVASION IN 1971 DENIED

Colombo THE ISLAND in English 14 May 83 p 1

[Text]

A member of the former Sirimavo Bandaranaike Government dismissed as 'nonsense' a charge that Sri Lanka had sought American help in 1971 in case India invaded the Island State, according to a PTI report.

"No such thinking took place in our Government" asserted Mr. Lakshman Jayakody, then Deputy Defence and Foreign Minister. He was also the Parliamentary Secretary to Mrs. Bandaranaike.

Commenting on the newest claim by the President, Mr.J.R. Jayewardene that the former Government had feared reprisal by India for the grant of refuelling facilities to Pakistan during the Bangladesh war, Mr. Jayakody said "The President is talking through his hat".

"Invasion? What nonsense? WE knew very well India would never invade this country.

He was stung by Mr.Jayewardene's charge in an interview published in the Madras daily. THE HINDU that Mrs.Bandaranaike had 'even thought India might invade and had a secret conference with Mr.Nixon in the US.

The American President 'gave her a lunch, a red carpet lunch, and called his military officials' Mr.Jayewardene had claimed. 'They talked it over - in case there was trouble America would help her'.

Rejecting the claim Mr.Jayakody said "There was no reason for us to believe India was going to invade Sri Lanka".

In a statement to PTI in the absence of Mrs.Bandarnaike who is abroad, he denied there was any secret talks with Mr.Nixon.

Nor could he remember Mrs. Bandaranaike giving a dinner to the Admiral of the American fleet as alleged by Mr.Jayewardene.

Explaining the facilities granted to Pakistan during the Bangladesh war. Mr.Jayakody said Colombo had allowed refuelling of Pakistan planes in response to a request from Islamabad to quell a rebellion in what was then the eastern part of Pakistan.

"But the moment we knew there were two countries involved, India and Pakistan, we immediately withdrew all those facilities" Mr.Jayakody said. The 94 flights that were given refuelling facilities were all civilian flights, he said.

CSO: 4600/665

# SHODDY TACTICS OF EMPLOYMENT AGENCIES REVEALED

Colombo THE ISLAND in English 19 May 83 p 2

[Article by L. B. Wijayasiri]

[Text] A girl from Kandy who had gone in search of Middle East employment through an Employment Agency here had got stranded in Bombay along with several others for the past two months reveals the pathetic story of hundreds of Sri Lankan men and women who have been also stranded in Bombay by Employment Agencies.

"Some girls have found shelter in brothel houses in Bombay. Some others are now expecting babies. Some have committed suicide. One is in the mental hospital and hundreds are living on the streets," she revealed.

The Deputy Minister of Justice and MP for Senkadagala Mr. Shelton Ranaraja has made representations to the Ministry of Foreign Affairs on behalf of those Sri Lankans who had been abandoned and stranded in Bombay by Employment Agencies here.

This girl from Suduhumpola, Kandy had paid Rs. 3000 to this Employment Agency at Kollupitiya and she had got this money by pawning her jewellery and other belongings. She is a member of a group of ten Sri Lankan women who had made similar payments to this Agency and had been taken to Bombay on March 1 with the promise of sending them to Quatar from Bombay within two days. But more than two months had

elapsed since then, and they were still made to stay in Bombay.

It is said that nearly 400 Sri Lankan men and women who had been taken to Bombay by Employment Agencies in Sri Lanka promising employment in Middle East countries had been stranded in Bombay and were undergoing untold hardships without food or shelter. Some had been in boarding houses for sometime but were later driven away, having failed to pay their boarding fees.

This girl in a letter to her brother further states that one person had taken poison and committed suicide while another committed suicide by jumping from the fourth floor of a building. Another person had been admitted to a mental hospital. Six girls are now expectant mothers, and some other girls have found shelter in brothels in Bombay. Although these people had come here with much hope of living a prosperous future, this had been the fate they had to face.

"Large number of Sri Lankan public servants including police officers who have been brought here by Employment Agencies promising Middle East jobs are now living on pavements in Bombay streets" she states, in the letter "they suffer without any food or shelter".

If a goodlooking girl comes the agency men make use of her. She is sent to Middle East only after making use of her. That is the fate that be falls attractive girls who come in search of jobs.

"May be due to the meritorious acts of my late mother and father, I have a boarding house, the master of which treats us quite well. Therefore we have been able to live respectably. Most others have been thrown out of these boarding houses on to the streets, as they were unable to pay boarding fees" she states. "Recently some Arabs came here and selected four of us for employment as house maids. We hope that we will be able to go to Quatar very soon."

"We sob and cry day and night. Did we come here with all these hopes for a better future, just to face a dreaded fate of this nature," she states in her letter. She has advised her brother to give up completely the idea of going to Middle East, if he has any idea of going. She tells her brother not to encourage any known person to go to Middle East in the future.

Even a brother of an agency owner had been stranded and after he was chased out of the boarding he now lives on the pavements along with eight other Sri Lankans, she concludes.

OVER 200 MINI HYDRO-ELECTRIC PROJECTS PROPOSED

Colombo SUN in English 17 May 83 p 3

[Article by Jennifer Henricus]

[Text]

Mini hydro-power projects and their development are to be made part of the curriculum of universities and technical training institutions.

A regional working group from Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka met in Colombo yesterday to draw up the curricular for the education and training of personnel for mini hydro power stations.

Ceylon Electricity Board Chairman K.K.Y.W. Perera told "SUN" that after the major power projects were completed, Sri Lanka would introduce about 200 mini hydro power projects to generate a total of 100 megawatts of power.

Professor Perera said the potential areas had been identified, and the universities and technical training institutes would train the personnel required for this massive venture.

Inaugurating the meeting which was sponsored by UNESCO at the Institute of Engineers yesterday morning, Moratuwa University Vice Chancellor C. Patuwathavithane said he was hopeful that the new move would also make it possible for the regional coun-

tries to develop the technology and equipment necessary to tap this essential source of power.

He said it was unfortunate that mini hydro power had taken a back seat.

The CEB's Additional General Manager S. Boniface said that in Sri Lanka, with its ancient irrigation heritage and modern irrigation schemes,

there were a number of dams where mini hydro plants could be installed.

Tube turbines were particularly suitable for installation at these sites because of the availability of regulated flows.

He said that since Sri Lanka had the characteristic feature of central hills with steep slopes and heavy rainfall providing drainage basins for nearly 100 rivers, the upper reaches of these rivers were ideal sites for mini hydro power stations. These could supply power to the tea factories.

Mr. Boniface explained that a mini hydro power station constructed at what was considered a high cost today could very well become a cheap source of energy ten years hence.

CSO: 4600/666

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TOURISM TERMED 'NO. 1 CULTURE DESTROYER'

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Colombo THE ISLAND in English 20 May 83 p 6

[Article by Terrence John Cook]

[Text]

It's time that the Sri Lankan Government discussed rationally all the effects that Tourism has had on the country.

Tourism has for the last few years attained the highest priority of being the No. 1 profit making industry in this country. It should also be made known as the No. 1 "Culture Destroyer" in the world. Money can never repair or restore to the full, a culture, that has been contaminated by tourism.

A pertinent question? What is Tourism? a breakdown of Tourism is necessary, and best divided into three categories:— Business Tourist; Tourist; Traveller.

The "Business Tourist," as the name suggests, is here on business, they require comfortable accommodation, good quality food, international communication services and when necessary lively entertainment. Perhaps a brief sight-seeing trip to the mountains or a sea-side resort, and buy their souvenir's from hotel speciality shops. After a few days or a week they leave the country having little impact on the people or environs.

The second category of "Tourist" is difficult as in this Group 1 and must also include the "Package Tourist" — the most damaging of all.

These tourists have made all bookings of tours prior to leaving their country. Their time is as limited as their money. They come to Sri Lanka knowing little or nothing of the Island, its people or its culture. To them it is an alternative to the much frequented tour destinations. In general, they abuse the facilities where they are accommodated, expect servitude, have no respect for people, culture or environment. They criticize, and demoralise and create the worst impression imaginable.

They spend their money quickly, without distribution and exit, leaving a path of devastation behind.

The "non package tourists" live in their hotels. They make use of all facilities, arrange scenic trips, admire both beauty and culture and appreciate indigenous art forms. They are courteous, appreciative and enjoy their holiday distributing their money around prominent tourist attractions.

These are "wealthy tourists." However we also have a "budget tourist."

These tourists are also appreciative of the arts, and of course the scenery. They do not accommodate in first class hotels but prefer 3rd class or very good guest houses.

They travel the island in "mini buses," or arrange a few organised day trips. They are keen photographers and bargain for a cheaper price of manufacturers souvenirs. They come to a tropical island, complain of the heat, flies, mosquitoes, and floor toilets. They forget they are in a third world country and their demands on the society are both damaging and degrading.

I must generalise as the effect on the culture and the islands environment has been caused through many, not just a few people.

The final category is the "traveller".

The "traveller" also has a budget but may be compared not with the "budget tourist" but with the "wealthy tourist."

Lovers of alternative culture, people, arts and crafts. Most are environmental conscious or protectors. They come to Sri Lanka having knowledge of the island and its unique culture.

The majority are dissatisfied with the material commodity oriented lifestyle of their own countries and have come to experience a natural way of life, or seek solace in the countries religion.

"Travellers" live in harmony with the people. They have improved the quality of life for many Sri lankans. Unemployed youth attained benefits from becoming tour guides, shell sellers and of course touts.

Market places have profited due to travellers needs of fresh fruit and vegetables. Tea rooms in isolated areas have experienced increase in trade and many other retailers have had their profits enlarged by travellers.

The warm invitation extended by the people to accommodate the traveller in their homes has not only profited the house holder with improved quality of life but has also enriched their knowledge of other people's countries and customs. In fact a whole new system of education is consumed with the adoption of a traveller into their home.

It is imperative that the "traveller" is not confused with the word "hippy" a hippy has enough trouble trying to support his or herself in their own country let alone being able to afford to travel abroad than support themselves.

Admittedly drug and alcohol abuse is a rising problem in all countries and is not confined to tourism alone.

This is my third visit to Sri Lanka in as many years. During this short time drastic changes have taken place both in the city and in the village. I am deeply concerned about the destruction to the unique culture of this island paradise. I feel that with more stringent scrutiny of all tourists at air ports and seaports should be implemented as soon as possible and a full account made of the destruction already caused to this beautiful island.

CSO: 4600/666



SRI LANKA

BRIEFS

POSSIBLE REFERENDUM IN 1989--"I do not know what will happen in 1989. There may be another Referendum, but the decision for that will be taken by the leaders who will be in power then" said Mr. J. R. Jayewardene, concluding the campaign for the by-elections at a meeting held in Mahara yesterday. The President added that those who respect democracy are flocking around the UNP in large numbers whilst the SLFP has deteriorated into a squabbling pickle. He predicted that the intelligent people who are still left with the SLFP will be joining the UNP soon. He said that already people like P. B. G. Kalugalle and S. D. Bandaranayake have opted to side with the UNP. [Sirimal Fonseka] [Text] [Colombo THE ISLAND in English 17 May 83 p 1]

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END